

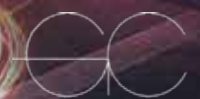
REDEVELOPMENT OF WORLD TRADE CENTER SITE

NEW ORLEANS, LOUISIANA

RFP #4051-01414



April 17, 2013





New Orleans Building Corporation
Chief Procurement Officer
Bureau of Purchasing
1300 Perdido, Suite 4W07
New Orleans, Louisiana 70112

April 17, 2013

RE: RFP 4051-01414, Redevelopment of World Trade Center Site

Dear Mayor Landrieu, Deputy Mayor Grant, and World Trade Center RFP Selection Committee:

We are excited to submit our enclosed proposal for your consideration for the comprehensive, game-changing redevelopment of the iconic World Trade Center property and important surrounding civic spaces.

In January 2010, the New Orleans Strategic Hospitality Task Force Report, based upon research completed by the Boston Consulting Group, concluded that if New Orleans acted decisively, it would be attainable to dramatically increase annual visitation to New Orleans from 7.6 million in 2008 to 13.7 million by 2018, the City's 300-year anniversary. If New Orleans successfully reaches this significant Tourism Master Plan goal, the Task Force report stated that the cumulative economic benefits for the City through 2018 would be dramatic, including \$11 billion in direct spending, 33,000 additional jobs, and \$700 million in tax revenue. In 2012, according to UNO, New Orleans made meaningful progress towards this goal with approximately 9 million total visitors, and an all-time record of \$6 billion in visitor spending. However, in order to substantially accelerate growth in the coming years and successfully reach the Tourism Master Plan's goal of nearly 14 million visitors by 2018, the Task Force report concluded that the #1 challenge, priority, and opportunity for New Orleans is to **increase YOUNGER LEISURE visitors.**

Regarding the need to **increase younger visitors**, the Task Force report noted that:

- *"New Orleans visitors are older than average. Among peer cities such as Chicago, Las Vegas, and Miami, 32 percent of visitors, on average, are between 18 and 34 years old. Only 23 percent of New Orleans' visitors are in that age group."*
- *"Without action, New Orleans will lose more of the younger market. 18- to 34-year-olds report that they are three times more likely to visit Las Vegas and two times more likely to visit New York than New Orleans in the next three years."*
- *"New Orleans has few repeat visitors. Overall, younger travelers (18- to 34-year-olds) are more likely to make repeat visits to cities than older travelers, which magnifies the disadvantage of having disproportionately older visitors."*
- *"To achieve the master plan goal of 13.7 million annual visitors by 2018, New Orleans will have to see the greatest growth in 18- to 34-year-old leisure visitors traveling without children. As Las Vegas demonstrates definitively, a city can be a major destination by targeting adults traveling without children."*

Regarding the need to **increase leisure visitors**, the report noted that:

- *“In the past, New Orleans has relied heavily on non-leisure travel (business, conventions, and meetings) to sustain tourism. But non-leisure travel is only a small portion of U.S. travel – and it is declining both nationally and in New Orleans.”*
- *“Leisure travel accounts for 75 percent of visitors and 65 percent of travel dollars nationally. And while U.S. leisure travel increased 15 percent in the past eight years, leisure travel to New Orleans decreased 7 percent. New Orleans tourism cannot meet its potential unless the City dedicates itself to attracting more leisure tourists.”*

We believe that our specific WTC redevelopment plan enclosed is a powerful and unparalleled answer to this overriding City objective of increasing younger leisure visitors to New Orleans, strengthening the City’s “authentic and fun” brand awareness nationally, especially within the upscale, younger, leisure segment, and successfully reaching these critically important Tourism Master Plan goals by 2018. After reviewing our detailed RFP response, we hope you will agree that our unique, compelling and world-class WTC redevelopment plan in combination with our bold, creative and comprehensive master site proposals will:

- generate exceptionally large, new private investment, jobs and economic benefits for the City, community, and tourism industry;
- dramatically reposition and activate major new and improved civic spaces for tourists and locals alike;
- transform and energize the vacant, iconic WTC high-rise and underutilized, neglected surrounding public areas by creating multiple new, exciting, and catalytic demand generators and “people-movers” to the Riverfront;
- solve the currently confusing, disjointed and unattractive pedestrian experience that exists today around the WTC between the Aquarium, Spanish Plaza, Canal Street, the Riverfront and other surrounding, adjacent areas;
- radically enhance the Riverfront view, connection, and draw for pedestrians from Canal Street;
- create a dynamic, coherent and unified master plan environment that maximizes and expands the pedestrian/tourist experience and visual/physical connectivity from all directions; and
- powerfully energize and re-brand this largely depressed and outdated section of downtown along the Riverfront as a vibrant, authentic, and fashionable new destination attraction, particularly for the young, hip, and affluent demographic the City needs and aspires to more successfully attract and grow.

In short, and as we will fully explain in our detailed RFP response enclosed, our specific WTC redevelopment proposal includes the following key highlights:

- World-class development, design, and operating team led by Gatehouse Capital, Starwood's largest W developer, which previously developed the \$380 million Hollywood W Hotel and Residences and the \$200 million Dallas W Hotel and Residences, among other large-scale comparable luxury lifestyle mixed-use/hospitality projects nationwide, totaling over \$1 billion
- Exciting, transformational \$190 million adaptive re-use plan for iconic WTC 33-story high-rise utilizing approximately \$75 million in valuable federal and state Historic Tax Credit net equity proceeds
- Only RFP team in a position to successfully secure HTCs in requested timeline, start construction by end of 2013, and complete major construction by end of 2015, due to substantial work completed with the State Historic Preservation Office and the official National Register approval process to date (subject to the NOBC/City making a timely RFP selection, the lease agreement with NOBC/City being finalized in a timely manner, and the WTC property not having major unforeseen toxicity/environmental remediation issues, among other variables)
- No City subsidy required to execute our team's proposed \$190 million WTC redevelopment plan (assuming no major unforeseen toxicity/environmental remediation required at the property)
- New, modern, best-in-class 245-room W Hotel on floors 1-12, with a new, attractive 5-story addition on south side of property, in exclusive partnership with Starwood Hotels and Resorts Worldwide (to replace the older, outdated 400-room W Hotel on Poydras Street, which Starwood is confidentially planning to convert into another leading Starwood hotel flag – this is not public information)
- Not just another basic hotel; the new, high-profile W will be a major new destination attraction in and of itself, particularly for coveted younger, upscale leisure visitors, with multiple unique, separately-branded restaurant, bar, entertainment, and spa venues, and new nationwide exposure/demand
- 280 new, premier, modern luxury residential apartments and penthouses on floors 13-30, with unparalleled resident-only amenities/services, which will set a new standard of excellence in the New Orleans market, and may potentially be converted to W-branded for-sale residences in the future
- Visionary, comprehensive public/tourism-focused master site plan surrounding the WTC including a new, iconic "Tri-Centennial Sky Wheel", dramatically improved and redesigned civic spaces/connections, and multiple specific strategies to unify, enhance and energize the Riverfront for consideration
- Detailed win-win strategy to fund 10s of millions of dollars worth of additional, proposed major public improvements by dedicating and/or leveraging the

substantial direct upfront proceeds and recurring income generated from our \$190 million WTC redevelopment proposal – not by using limited, existing City funds

- Extensive, compelling evidence that the WTC should **not** be demolished for multiple economic, tourism, historic, architectural, and civic reasons
- Extremely detailed and advanced architectural plans and renderings by premier national/international firm, RTKL Architects, in collaboration with leading local firm, Mathes Brierre Architects
- 3rd party expert jobs report and economic impact report enclosed, demonstrating exceptionally large benefits to the City and local community
- Highly advanced market analysis, cost estimating, and pro forma operating projections with substantial supporting evidence and research enclosed
- Very strong and capable development team with impressive track-record, successful governmental experience, and proven ability to execute comparable/larger projects, including substantial supporting evidence enclosed

The information that follows is structured in response to the format and order requested in the RFP instructions. We look forward to working with you on this important RFP, and greatly appreciate your time and consideration in reviewing our proposal.

Sincerely,



Marty Collins
President/CEO
Gatehouse Capital Corp.
214.922.4310
collinsm@gatehousecapital.com

CC:

Natalia Malek & Gary Harnist, *Gatehouse Capital Corp.*

Ben Cary & Sid Narang, *Starwood/W Hotels*

Leon Backes, Jay Hawes, Matt Harris, & Paul Knowlton, *Provident Realty Advisors*

David Garcia, *DAG Development*

Steve Galbreath, Scott Dorn & Michelle Devereaux, *RTKL Associates Inc.*

Ed Mathes, Creed Brierre, Pete Priola, & Tim Lupin, *Mathes Brierre Architects*

Bill Hines, *Jones Walker*

Gary Elkins & Michael Mancuso, *Elkins PLC*

Robert Voelker, *Munsch Hardt*

Guy White & Chad Pippin, *White Construction Corp*

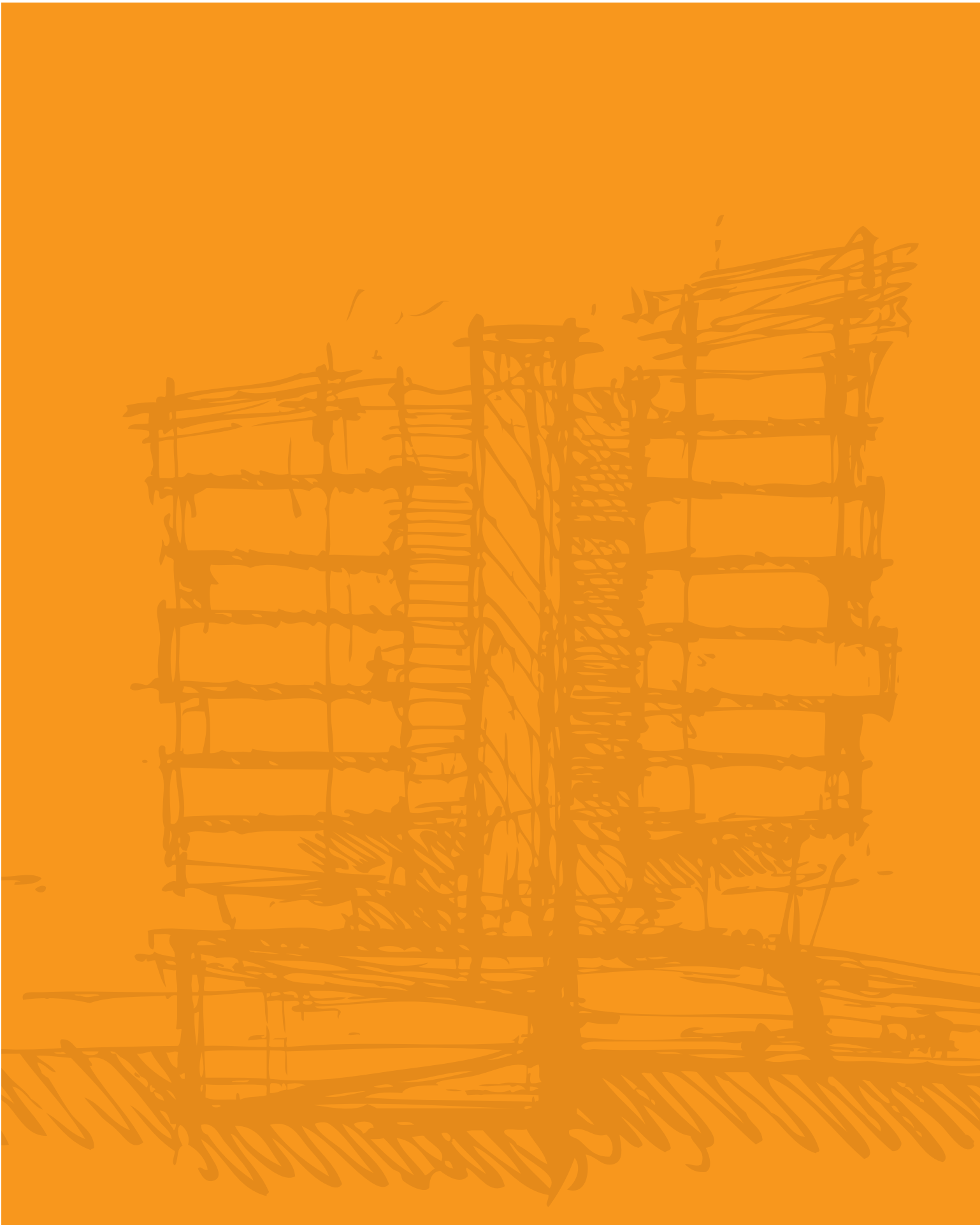
John Besh & Octavio Mantilla, *The Besh Restaurant Group*

Bill Taylor, *Trombone Shorty Foundation*

The information included in this proposal is the property of RTKL. It shall not be disclosed outside of the addressee's organization and shall not be duplicated, used or disclosed, in whole or in part, for any purpose other than to evaluate this proposal. Should a contract be awarded, the information will be subject to the terms of that contract.

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1



DESCRIPTION OF PROPOSED REDEVELOPMENT





Starwood Hotels & Resorts Worldwide (W Hotel Brand/Operator)
Ben Cary, Siddharth Narang / White Plains, New York

Starwood is our team's RFP partner to develop and operate the modern new flagship W Hotel at the WTC that will achieve today's substantially more luxurious and exciting current W brand standards and amenities (to replace the older, outdated W Hotel on Poydras Street as explained further below). Starwood is also a major, established New Orleans investor with current corporate ownership and operation of the W Hotel on Poydras Street and the Sheraton Hotel on Canal Street, in addition to long-time operation of several other Starwood branded properties in the local market.

Provident Realty Advisors, Inc. (Co-Developer)
Leon Backes, Matt Harris, Paul Knowlton / Dallas, Texas

Provident has completed over \$1 billion in previous successful projects over the past 20 years, with thousands of new residential apartment units developed in Texas and the Southern US region, including 1,100 new-construction apartments developed in the New Orleans MSA since Hurricane Katrina alone. Provident also has substantial, hands-on expertise with unique, historic adaptive re-use projects, and large, complex mixed-use developments such as the WTC.

DAG Development (Local Co-Developer)
*David Garcia, President
504.421.1328 / david@dagdevelopment.com
497 Audubon Street, New Orleans, LA 70118

DAG Development is the team's local development partner with New Orleans market expertise, and successful experience with smaller local hotel developments and downtown luxury apartment/condo projects (including the \$70 million adaptive re-use of historic Krauss Department Store on Canal Street into 233 luxury residential units and amenities).

A. DEVELOPERS AND DEVELOPMENT TEAM

***Indicates individuals representing the development team as points of contact.**

Gatehouse Capital (Master Developer)

*Marty Collins, President/CEO, Natalia Malek, Gary Harnist
214.922.4310 / collinsm@gatehousecapital.com
1501 Dragon Street, Suite 101, Dallas Texas 75207

Gatehouse is the largest and most successful mixed-use W Hotel/W-branded residential developer in the country (including master developer of the \$380 million Hollywood W Hotel and Residences, the \$200 million Dallas W Hotel and Residences, and other similar projects fully described in Section 2) with over \$1 billion in comparable luxury, lifestyle hotel-focused projects completed nationwide over the past 15 years, and over \$1 billion in major new hotel projects currently in progress.

RTKL Associates Inc. (Design Architect)

*Steve Galbreath, Scott Dorn

214.468.7616 / sgalbreath@RTKL.com

1717 Pacific Avenue, Dallas, Texas 75201

RTKL is one of the leading architecture, planning and design firms in the world. Consistently ranked among the top 10 hospitality design experts, RTKL is uniquely positioned to provide the extraordinary at the WTC and has established an impressive roster of major, award-winning hotel and mixed-use hospitality projects for most of the major flags nationally and internationally, including W Hotels/Starwood.

Mathes Brierre Architects (Associate Architect)

Ed Mathes, Creed Brierre, Pete Priola, Tim Lupin
New Orleans, Louisiana

The latest evolution of a firm founded in the late 1890's, Mathes Brierre Architects is one of the oldest, largest, and most respected firms in New Orleans. Mathes Brierre is expert in all aspects of historic renovation and local development/code requirements, and is an ideal partner to help successfully design and redevelop the iconic, historic WTC property.

Other potential project execution team members, if selected:**Elkins PLC (Legal)**

Michael Mancuso / New Orleans, Louisiana

Elkins PLC is a leading, local professional law firm with a strong expertise in complex real estate development projects, Public-Private partnerships, and major adaptive re-use redevelopments involving the Federal and State Historic Tax Credits, which we will be utilizing on the WTC project. In addition, Mike Mancuso, our primary attorney with Elkins, also possesses unique personal expertise and background with the WTC property and the surrounding, adjacent public spaces and related entities from previous work over the years which the City may find helpful for successful, efficient project execution if our team is selected.

Jones Walker (Legal)

Bill Hines / New Orleans, Louisiana

Since its inception in 1937, Jones Walker has grown over the past several decades in size and scope to become one of the largest law firms in the United States, and from its entrepreneurial beginning has become the largest law firm in New Orleans, with more than 140 attorneys engaging in a broad-based practice representing local, national, and international clients. Bill Hines, Managing Partner of Jones Walker in New Orleans, will play an important role in our WTC redevelopment project if selected, particularly relating to structuring positive Public-Private collaboration to successfully achieve our master site plan civic improvement proposals.

White Construction Company (General Contractor)

Guy White, Chad Pippin / Ridgeland, Mississippi

White Construction is an award-winning, large regional construction firm with over 40 years of impressive experience, and is consistently ranked as one of the nation's top commercial contractors. White has strong local market knowledge, broad and deep construction and historic renovation expertise, and the extensive track-record and horsepower necessary to complete large, complex construction projects such as the WTC on-time and on-budget.

Morphy Makofsky Engineering (Structural Engineer)

Don Makofsky / New Orleans, Louisiana

Established in 1975 in New Orleans, Morphy Makofsky, Inc. is an organization of professional engineers offering a full range of civil, structural and foundation engineering. Its consulting services include design, studies, estimates, contracts administration of engineering projects, and the structural phases of architectural projects. Morphy Makofsky is the premier structural firm in New Orleans, and is our exclusive partner for our WTC redevelopment plan.

Moses Engineering (Mechanical and Electrical Engineering)
Howard Moses / New Orleans, Louisiana

Established in 1947, Moses Engineers is a New Orleans-based mechanical and electrical engineering design firm that has participated in the design and construction of thousands of major projects throughout the Gulf South region and internationally totaling over \$3 billion in construction. Moses is the premier MEP engineering firm in New Orleans, and is our exclusive partner for our WTC redevelopment plan.

The Besh Restaurant Group (Food and Beverage)
John Besh, Octavio Mantilla / New Orleans, Louisiana

One of the premier chefs/restaurant groups in New Orleans today, Chef John Besh has an impeccable track-record of success, a very strong organization with previous hotel expertise, and an exceptional personal commitment to his team and growing portfolio of unique and award-winning restaurants. Chef Besh is an ideal fit for our transformative, high-profile WTC project and the younger, upscale W style, and we are thrilled that he is our team's invaluable potential partner to help lead the development and operation of the new, exciting, separately-branded destination dining venues at our proposed W Hotel/WTC redevelopment project.

Trombone Shorty Foundation
Bill Taylor / New Orleans, Louisiana

If selected as RFP winner, we are excited to potentially dedicate a portion of our music-related proceeds, including from our new 16,000 square foot W pool/rooftop venue and our new upscale, 33rd floor jazz lounge venue, to support the Trombone Shorty Foundation's important local community outreach programs to preserve and perpetuate the unique musical culture of New Orleans by passing down its traditions to future generations of musicians.

B. COMPREHENSIVE PLAN AND SCHEDULE

WTC REDEVELOPMENT PLAN

Our WTC redevelopment plan is an approximately **\$190 million adaptive re-use** of the iconic, historic, 33-story, 670,000 square foot property into a dynamic, high-profile, mixed-use destination project including:

- **A new, modern, flagship 245-room W Hotel** on floors 1-12 of the WTC, plus a new, attractive 5-story structure on the south side of the WTC property to provide new parking, loading/service area, 8,000 square foot column-free ballroom, and a new 16,000 square foot W Hotel pool/rooftop event and live music area overlooking the River. (Note: as mentioned above, the new flagship W Hotel at WTC would replace the older, outdated 400-room W Hotel on Poydras Street which Starwood owns corporately and is confidentially planning to renovate and convert this year into another leading Starwood brand that is not currently represented in the local market. **This is NOT public information and strictly confidential at this time**).
- » The new W Hotel will include **exciting, separately-branded, destination restaurant, bar, entertainment and spa venues** including
 - new, fashionable **W Lobby bar/“Living Room”** fronting Convention Center Blvd.
 - new, contemporary **W Bliss Spa** on 5th floor, same level as W pool deck, fitness, and highly unique Spa Suites – luxurious, oversized hotel rooms with additional spa features such as saunas, steam showers, and massage tables.
 - new, **signature, ground-floor, chef-driven 3-meal restaurant and bar for the W Hotel**, including attractive outdoor dining area, which also provides the W banquet/event catering and W room service.
 - new, exciting **16,000 square foot W Hotel pool/rooftop event and entertainment venue** unlike anything in New Orleans today, which will be designed to accommodate major capacity on

weekends during the day and at night with potential destination entertainment offerings including live music concerts (ie. energetic, festival-style bands such as Trombone Shorty, Rebirth Brass Band, Galactic, Anders Osborne, etc.).

- new, **upscale, contemporary 7,500 square foot round, rotating jazz cocktail lounge/dinner-only venue** on 33rd floor with the City's best views, a high-profile, award-winning chef, and live music from leading local musicians (ie. Jon Cleary, John Boutte, James Andrews, New Orleans Jazz Vipers, etc.).
- » **W Hotel is the world's leading luxury lifestyle brand**, driven by fashion, design, and music, and has evolved into a powerful destination attraction and demand generator in and of itself, particularly among the younger, affluent leisure demographic. **The new best-in-class W Hotel at the WTC would not just be another hotel downtown; it would make a powerful national splash and would help put the entire City of New Orleans on the radar of coveted upscale leisure travelers and younger, fashionable visitors around the country** when making their vacation decisions, as proven by the newer, modern and highly impactful W Hotel and Residential projects in Hollywood, Dallas, Austin, Miami, and other leading markets around the world.
- **280 new, best-in-market, modern luxury residential apartment units** on floors 13-30, including a diversified mix of spacious, contemporary 1 bedroom and 2 bedroom units with high-end finishes, and the City's premier new penthouse units with 18 foot ceilings, wall-to-wall glass, and commanding views in all directions. (Note: all 280 rental units can potentially be converted to W-branded for-sale condominium residences with hotel services and amenities in the future, but will initially be unbranded, separate residences with discrete, dedicated residential-only services and amenities).
- » The WTC apartments above the W Hotel will enjoy **unparalleled residential-only amenities on the entire**

31st Floor including a spectacular new rooftop pool/spa, state-of-the-art fitness center, amazing open-air roof deck with outdoor kitchen and fire pit, and large resident sky lounge/business center, with impressive views of the City, French Quarter, and River.

- » **The new luxury apartments and amenities at the WTC will set a new standard of excellence in New Orleans**, will cater to a younger, upscale demographic consistent with the W Hotel style below, and will add tremendously to the vitality and strength of the Riverfront by activating this neighborhood with new, dynamic residents and providing a valuable captive audience that will utilize local services and continue to demand an improving quality of amenities and redevelopment in the surrounding area.

WTC MASTER SITE PLAN IDEAS:

In addition to our primary W Hotel/WTC redevelopment plan, we have also carefully studied and proposed **bold, creative, and comprehensive new master site plan ideas** to potentially transform the incoherent and outdated civic spaces surrounding the WTC site (even though we understand these ideas are not a part of the WTC site, and would require further 3rd party consideration and approvals to successfully execute). We believe our "big idea" civic/tourism master site proposals are realistic and achievable with positive, collaborative public-private leadership, and can likely be paid for by leveraging and/or dedicating the substantial new income that will be generated for the NOBC and City by our considerable \$190 million investment in the W Hotel/WTC redevelopment project. We believe it is vital for the City to consider executing these comprehensive master site plan strategies in combination with our large, primary W Hotel/WTC redevelopment plan if the City wants to successfully achieve all of the transformational goals and civic/tourism objectives detailed above. In sum, our new, proposed master site plan "big ideas," which can be seen in our enclosed renderings and architectural drawings in Section 1D, include:

- **Consider building a new, large, iconic “Tri-Centennial Sky Wheel” at Spanish Plaza** (which part of our RFP team first proposed to the City in 2011) on the edge of the Wharf along the River, which will be a major new tourism attraction, demand generator, and “people-mover” that is prominently visible up and down Canal Street to attract hundreds of thousands of additional pedestrians and tourists to the Riverfront and dramatically energize Spanish Plaza during the day and night. As explained in the attached materials, a similar, approximately \$20 million Sky Wheel was built on a pier over the water in Seattle in summer 2012, and is a highly successful, comparable example of what could realistically be achieved on the River’s edge of the Spanish Plaza Wharf in New Orleans (Note: the Seattle Great Wheel is on pace to attract nearly 1 million visitors in its first year of operation, at an average ticket price of \$13, second only to the London Eye worldwide). In addition, based on our legal research of civic space existing leases, ultimate control, and potential required 3rd party public approvals from entities such as the Port and Army Corps of Engineers, we believe successfully constructing this new iconic Sky Wheel is not only physically and economically feasible, but also practically feasible whether on the edge of the existing wharf, or if necessary, on a new-construction extension of the wharf over the River.
- **Consider eliminating all car traffic on the Algiers-Canal Street Ferry**, which we believe is the game-changing linchpin strategy to successfully create a new, coherent, unified and attractive pedestrian and tourist connection/experience between Spanish Plaza, the Aquarium, Canal Street, and other surrounding areas. We believe the relatively few cars currently using the Ferry (approximately 175,000 total Ferry trips per year), can easily drive to and from Algiers instead by using the convenient and likely faster Mississippi River Bridge, which nearly the same number of cars use to cross the River each day (over 155,000 cars per day). The 1+ million existing annual pedestrian Ferry passengers can continue riding the new pedestrian-only Ferry (which should also

increase passenger attractiveness and decrease operating costs) as long the Ferry’s uncertain funding sources remain sufficient to continue its long-term operation.

However, by eliminating the problematic and unnecessary car traffic from the Ferry, we believe it is then feasible to:

- » **convert the formerly dangerous, disruptive and unattractive Ferry car traffic lanes into the primary, new, pedestrian-only boardwalk connection** with beautiful new pavers and landscaping, which the vast majority of tourists and locals in the area will then utilize and enjoy when walking between Canal Street and the Riverfront;
- » **remove the negative concrete barriers along the previous Ferry car traffic lanes and tear down the enclosed/elevated Ferry pedestrian walkway “tubes” on both sides of the Ferry building**, which are no longer necessary, are unattractive and unsafe, and currently cut off Spanish Plaza from the Aquarium like a large wall, while also entirely blocking the view/visual connection of the Riverfront from Canal Street;
- » **successfully connect the main pedestrian/tourist Wharf boardwalk along the River between the Aquarium and Spanish Plaza** so there is now a wide, convenient, and uninterrupted path of travel along the River from the French Quarter, through Woldenberg Park, past the Aquarium, and all the way to Spanish Plaza and the new Tri-Centennial Sky Wheel destination attraction; and
- » **create a new iconic transit hub and/or prominent place-making sculpture** at the highly-visible and centralized foot of Canal Street (where the large, obtrusive former Ferry walkway stairs previously descended), to serve Canal Street and Riverfront streetcar riders, pedestrians, potential new bike-share riders, pedicabs, taxis, and other new transit options, thereby producing an active, dynamic tourist/local hub and prominent new gathering/transition spot.
- **Consider unifying, enhancing, and energizing all of the newly-connected, adjacent civic spaces** in several important ways including:

- » **adding consistent/complementary landscaping, pavers, lighting and other design elements** across all separate areas to more effectively bring together the various spaces and clarify/improve the pedestrian experience;
- » **redeveloping/renovating the existing Ferry building** into more attractive and catalytic uses (ie. Ferry waiting terminal and related services, coffee shop, retail stores, etc.);
- » **creating a cool, hip and diverse designated food truck area** that offers new vendors daily and nightly, generates significant new activity and interest, and particularly appeals to the in-demand younger, stylish demographic;
- » replacing Riverwalk's outdated restaurant tenants at Spanish Plaza with **more authentic, local, and culturally-inspired options**, to re-brand this civic area as a new, fashionable destination particularly for younger, upscale visitors (ie. Rum House from Magazine St, Company Burger from Freret St., Sucre from Magazine St., etc.); and
- » consistently activating these large, reinvented civic spaces along the Riverfront with **fun, unique, and authentic experiences and outdoor activities** geared towards the younger demographic such as local farmers markets, local artists, local musicians, yoga, potential concerts and events, etc., which would ideally be more consistent with the younger, hipper, upscale W Hotel at the WTC, and which would create substantial new local and national buzz/demand, particularly among younger, affluent leisure visitors, as the City attempts to reach its goal of 14 million visitors by 2018.

NATIONAL REGISTER APPROVAL PROCESS & TIMELINE OVERVIEW:

The iconic, historic WTC property clearly qualifies for National Register approval, and we are the only RFP team currently positioned to successfully and securely gain formal approvals and utilize State and Federal Historic Tax

Credits to begin construction at the WTC by the end of 2013 for the following key reasons (subject to the NOBC/City making a timely RFP selection, the lease agreement with NOBC/City being finalized in a timely manner, and the WTC property not having major unforeseen toxicity/environmental remediation issues, among other variables):

- Our team has **already received a formal Determination of Eligibility letter (see letter attached at end of this section) from the State Historic Preservation Office ("SHPO")**, because SHPO strongly believes the **WTC is eligible due to its "exceptional significance,"** based on extensive research and study to date despite being just less than 50 years old from its date of completion (although please note the WTC design began in 1959 and its construction began more than 50 years ago). This Eligibility letter from SHPO is all that is required by the National Park Service for our team to begin the Part I and II certification process if we are selected as the RFP winner by the City in the coming weeks or months. Due to our official Eligibility letter and the advanced architectural, engineering, and pre-construction work our world-class and experienced team has already completed on our WTC redevelopment plans over the past several months, we are uniquely positioned to begin this process immediately if selected by the City as RFP winner this spring or summer. Finally, if there is any remaining uncertainty or doubt about the virtually guaranteed eligibility of the WTC for National Register approval despite the facts above and supporting evidence enclosed, please note that SHPO confirmed that the Plaza Tower on Loyola and Howard, which is younger than the WTC and has far less architectural and historic significance than the WTC, was formally approved by the National Park Service for the National Register in January 2013.
- In addition, **we have confirmed with SHPO that we are the only team that formally submitted an approved first draft WTC National Register nomination application to SHPO before April 1, 2013**. As a result, our team is the

only proposal on track for placement on the agenda for the National Register Review Committee's meeting in November 2013. Please note the Review Committee only meets three times per year, and the first draft application deadline is approximately 9 months in advance of the meeting. This means that any other RFP team proposing to use Historic Tax Credits at WTC, and waiting for potential RFP selection this Summer by the City before spending the substantial time and money required to submit a formal National Register nomination application to SHPO, would not be eligible for Review Committee meeting and approval until mid to late 2014 at the earliest.

- The reason the above is extremely important to understand is that, if we are selected by the City as RFP winner in a timely manner, we are the **only RFP team that is uniquely positioned to begin WTC construction before the end of 2013** while utilizing Federal and State Historic Tax Credits, and to realistically **finish WTC construction before the end of 2015** (subject to the NOBC/City making a timely RFP selection, the lease agreement with NOBC/City being finalized in a timely manner, and the WTC property not having major unforeseen toxicity/environmental remediation issues, among other variables). As you may know, the State Historic Tax Credit currently has a **sunset provision on January 1, 2016**. Although we believe it should likely be extended by the State again at some point in the next few years (perhaps as early as the 2013 Legislative session), it is currently unclear when this potential extension may or may not occur and the overriding practical problem is that lenders and historic tax credit investors will refuse to close on project financing and start construction on any HTC redevelopment that does not have a clear, certain path to completion before the current sunset on January 1, 2016. You may recall this was a major problem for a number of local developers a couple years ago who may not have fully understood or anticipated this significant issue, including the Saenger Theatre project which the City ultimately assisted with a special bridge loan to overcome this problem and fund interim construction while the

previous State HTC extension was being approved by the Legislature and signed by Governor Jindal in summer 2011. Based on all of the above, **we are the only RFP team currently in a position to successfully utilize HTCs, begin construction at the WTC by the end of 2013, and complete construction at the WTC before the end of 2015 to achieve the City's important stated objective of redeveloping the WTC as quickly as possible, with or without any potential extension of the State HTC sunset by the Legislature and Governor** (subject to the NOBC/City making a timely RFP selection, the lease agreement with NOBC/City being finalized in a timely manner, and the WTC property not having major unforeseen toxicity/environmental remediation issues, among other variables).

- In anticipation of proceeding with the Part I and II certification right away if selected as RFP winner by the City this spring or summer, we have already been working closely with our highly experienced team in collaboration with SHPO to help make certain, to the extent currently possible, that **all of our proposed WTC redevelopment plan details and architectural drawings will meet the National Park Service's historic approval requirements**. Between our development team, our architects, our legal counsel, and our historic tax credit consultants, our RFP team has extensive hands-on HTC approval expertise working with SHPO and the National Park Service on numerous successfully completed historic redevelopment projects in the past, and we are highly confident that our current architectural plans will meet all of the major historic requirements for successful WTC redevelopment as proposed.

SHPO DETERMINATION OF ELIGIBILITY LETTER



JAY DARDENNE
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
OFFICE OF CULTURAL DEVELOPMENT
DIVISION OF HISTORIC PRESERVATION

PAM BREAU
ASSISTANT SECRETARY

January 29, 2013

Mr. Rick Fifield, AIA
600 St. Roch Avenue
New Orleans, LA 70117

RE: World Trade Center, Orleans Parish, LA

Dear Mr. Fifield:

The purpose of this letter is to confirm our office's opinion on the National Register eligibility of the above referenced property.

As you know, the World Trade Center is still a few years short of the Register's fifty year age requirement. However, the Division of Historic Preservation believes the building to be eligible under Criterion A: Event and Criteria Consideration G: Exceptional Significance. The latter allows properties less than fifty years old to be listed under certain circumstances. The case would be based upon the building's role as a symbolic milestone in the exponential growth of the port of New Orleans in the post World War II years. We believe the World Trade Center to be the best candidate to represent this theme.

Please understand that, should you move forward with a nomination, our office can make no promises regarding the outcome of the process. Our role is to recommend whether a property should be presented to state's National Register Review Committee. The final decision lies with this board and, ultimately, with the National Park Service in Washington, D. C.

Please do not hesitate to contact me at 225 219-4595 if you have any questions.

Sincerely,

Patricia Duncan via e-mail

Patricia Duncan
Architectural Historian
National Register Coordinator

PD/pld

SHPO CONFIRMATION OF NATIONAL REGISTER APPLICATION DEADLINE



JAY DARDENNE
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
OFFICE OF CULTURAL DEVELOPMENT
DIVISION OF HISTORIC PRESERVATION

PAM BREAU
ASSISTANT SECRETARY

March 26, 2013

Mr. David Garcia
Via e-mail

RE: World Trade Center, Orleans Parish, LA

Dear Mr. Garcia:

The purpose of this letter is to confirm the status of your National Register nomination for New Orleans' World Trade Center.

The State Historic Preservation Office received the first draft of the document from author Karen Kingsley well before the April 1, 2013 deadline. Thus, the nomination is currently on track for placement on the agenda for the National Register Review Committee's November 18, 2013 meeting. Provided the nomination form and its support materials are complete by October 4, there should be no problem with taking the candidate before the Review Committee in November.

As you know, the decision on listing lies with this commission and, ultimately, with the National Park Service in Washington. The State Historic Preservation Office believes the World Trade Center to be an important and viable candidate, and I look forward to working with you and Karen on this important nomination.

Please do not hesitate to contact me if I may be of further assistance.

Sincerely,

Patricia Duncan via e-mail

Patricia Duncan
Architectural Historian
National Register Coordinator

PD/pld

WTC HISTORIC TAX CREDIT & FINANCIAL STRUCTURE OVERVIEW:

As we will fully explain and support in Section 4 and other attachments, our **federal and state HTC**s are worth **approximately \$75 million in net equity proceeds for our approximately \$190 million W Hotel/WTC redevelopment project**. Without these valuable HTCs, we believe any potential adaptive re-use redevelopment proposal of the WTC structure is effectively impossible from an economic feasibility standpoint in today's market. As a result, we hope it is clear and compelling why our team's unique strategic position for official WTC National Register approval by November 2013 and utilization of Federal and State HTCs on historic WTC construction completed before the end of 2015, is an extremely valuable and important outcome for the City. In addition, our proposed financial structure should also be attractive to the City because:

- **Our financial structure for the W Hotel/WTC redevelopment plan does not require any City public money/subsidy** (assuming the property does not contain any major, unforeseen toxicity or environmental remediation). Instead, in addition to the major new economic impacts and jobs we will create with no City contribution, our new \$190 million WTC redevelopment/investment will also generate substantial new upfront and ongoing income to the NOBC/City which can be dedicated to fund the master site plan "big idea" proposals, which is fully explained in Section 4 and the supporting attachments.
- **Our financial structure is relatively simple, clean, and quick to execute**, with only federal and state HTCs, debt, and equity. This is a common and straight-forward financing structure with minimal uncertainty/risk, and a proven track-record of closing as planned, assuming the overall development team is experienced, capable, and financially strong, as ours clearly is, and the Part I and II certification and National Register approval is in place, as described above.
- **Our WTC financing structure does not propose New Market Tax Credits**. As you may know, NMTCs are risky, complex, and uncertain for a HTC project such as the WTC. The NMTC-HTC structure is overwhelmingly complicated and convoluted, which often leads to delays and unforeseen risks and major issues to close on time, if at all. NMTCs are uncertain with small, limited allocations granted annually by the CDFI fund to various CDEs, which each have their own unique preferences for investment by geography and by product type, among other factors. Luxury hotels are not a preferred or appropriate use of NMTCs for most CDEs, or for the NMTC program's original mission, and several previous luxury hotel NMTC investments have been strongly criticized in the media and industry in the past. Finally, for a large \$190 million project such as the WTC, even if you had CDEs willing to invest in a controversial luxury hotel project, the bottom line benefit would be minimal given the large fees CDEs charge, and the effective limit in today's environment of securing approximately \$20-30 million in total NMTC allocation per project, which only translates into roughly \$4-5 million in net NMTC equity invested in the project, with numerous strings attached for 7 years. For a \$190 million project with \$75 million in HTCs that needs to close on time and start construction by the end of 2013, it makes very little sense to pursue NMTCs given their major financial structure/closing timeline uncertainty, complication, and risk with minimal benefit.
- Just as adaptive re-use redevelopment of the WTC is not feasible without HTCs, we believe **it is highly unrealistic and economically impossible to propose major new construction development at the WTC site after potentially demolishing the iconic, historic WTC 33-story, 670,000 square foot property** (putting aside for the moment the significant historic/architectural arguments against WTC demolition, the practical obstacles, multiple approvals and serious risks of WTC demolition at this sensitive, urban site on the River above operating train tracks, and the substantial time and cost of demolition/deconstruction, which would require

approximately 2 years to complete if hypothetically approved, and would exceed \$10 million in total cost per a demolition estimate from White Construction, which is likely more than the vacant WTC land is worth in today's market per supporting historical sales comps from Cook Moore and Associates, attached in Section 4). In short, without the valuable \$75 million in Federal and State HTC's, **we believe it is pie-in-the-sky and economically unrealistic to propose the unlikely, unwise, and costly potential demolition of the historic WTC high-rise, and the potential future new-construction development of anything remotely as large, successful or impactful** on the WTC site as our \$190 million W Hotel/WTC redevelopment proposal (as supported with potential new construction cost estimates from White Construction attached in Section 4), and the transformational master site plan civic improvements our project could facilitate and help directly fund, as fully described and supported herein.

C. BALANCE BETWEEN COMMERCIAL USES AND CIVIC POTENTIAL OF SITE

On top of the powerful, compelling economic and tourism arguments for our proposal described above, we also believe demolition of the WTC would be radical, wasteful and harmful to the unique urban and cultural fabric that distinguishes New Orleans, and we encourage the City to consider the WTC as an irreplaceable, iconic and valuable historic landmark.

The vitality of New Orleans today is largely a consequence of those who fought to preserve the special historic fabric of the city over the past several decades, whether it was in the French Quarter, the Warehouse District, the CBD or our residential neighborhoods. In many cases, though not all, they did so in the face of previous promoters who urged unwise or short-sighted demolition in the name of progress. Overall, the City, community, and tourism leaders should be very grateful for their efforts, without which New Orleans

would not be the highly unique, authentic, and compelling place to visit and live that it is today.

Part of New Orleans' valuable and unique urban fabric today includes the classic modernist buildings of the 50's and 60's. The WTC dates to 1959, and was designed by Edward Durell Stone, an internationally recognized architect in the modernist style. Stone designed world-famous projects such as Radio City Music Hall at Rockefeller Center, the General Motors Building, and the Museum of Modern Art in New York City, the Standard Oil Building in Chicago, and the Kennedy Center in Washington D.C., which shares many unique design similarities with the WTC. We are at a critical point in time when this modernist architecture is old enough to be maligned and criticized but not quite old enough to be consistently valued and appreciated. We have already lost a number of important buildings in the past from this influential design period, of which the WTC is the most prominent remaining local example.

Beauty is in the eye of the beholder, and reasonable people may disagree on personal, subjective taste, but the WTC building and its place in the city's history is indisputably and objectively iconic. It was the first World Trade Center in the world (out of nearly 300 today), and it was a pioneering, catalytic, and world-class project which directly led to the positive transformation of this previously undeveloped and distressed Riverfront section of downtown. More than any other building in New Orleans or Louisiana, the WTC is an enduring symbol of the city's historic role and continuing importance as one of the nation's major ports.

The WTC has been one of the most distinctive, visible and prestigious buildings on the New Orleans skyline for 50 years. It is eligible for national register historic landmark status, as explained in detail above, and could receive \$75 million in federal and state historic tax credits for our \$190 million adaptive re-use redevelopment which could result in tremendous long-term economic, tourism, and community

benefits for the City, far greater than what would realistically be possible if it was demolished.

Unfortunately, in recent years, **a number of myths and misinformation have been reported in the media and community about the WTC**, often when discussing the previous RFP failures and/or the idea of demolition, including that the WTC is structurally unsound, functionally obsolete, the exiting is not sufficient, or its unique X-shaped design does not allow for a realistic, successful adaptive re-use. We have done our homework, and nothing could be further from the truth. As evidenced by our detailed WTC drawings, approvals by W Hotel/Starwood, construction cost estimates, and expert opinion letters from premier engineers, architects, and others attached in this proposal, **these rumors are categorically false**. The reality is that the WTC building design and structure is uniquely well-suited for an exceptional and efficient adaptive re-use historic redevelopment into hotel, residential and complementary components such as unique restaurant, bar, and entertainment venues as shown in our detailed plans, with truly ideal floor plans for hotel operation and residential units, attractive ceiling heights, great light and views with large windows every 6 feet, sufficient existing stairs as designed with no new stairwells required for upper floors, 10 sizable elevators for efficient mixed-use needs, perfect design to accommodate separate lobbies/valet areas/uses, etc.

Given all of the information explained above, **we believe the answer to successfully balancing the commercial uses and civic potential at the WTC and surrounding Riverfront area is not to demolish the WTC, but rather to redevelop the WTC as a new, powerful catalyst for commercial and civic growth, investment, and vitality at the Riverfront for the next 50+ years**, just as the original, impactful and pioneering WTC development successfully initiated as a new, powerful catalyst when it was built at the distressed, undeveloped Riverfront 50 years ago. The City already has a large amount of underutilized and neglected civic space surrounding the WTC property. We do not need another

major civic space/green space with minimal economic impact or unfunded maintenance, and we do not need another hypothetical new-construction project with unrealistic, pie-in-the-sky assumptions or controversial reliance on limited, existing public funds that could be better invested elsewhere, particularly given the massive opportunity cost of not redeveloping the WTC with \$75 million in HTC equity available, thus losing its huge potential investment and economic impacts for the City. **Instead, we believe that we need to transform, unify and energize the civic spaces we already have as described in our master site plan proposal, and our \$190 million W Hotel/WTC redevelopment plan can make this happen today with major new private investment and potentially no reliance on limited, existing City resources.**

In short, we do not believe it should be a choice between “competing” commercial and civic uses in the case of this important WTC site redevelopment decision. We can and should do both; and we believe our world-class, comprehensive, and realistic plan maximizes commercial and civic benefits for all parties, particularly the City, unlike any other potential WTC redevelopment proposal.

Mathes Brierre
ARCHITECTS

RE: RFP 4051-01414
Redevelopment of
World Trade Center Site

April 8, 2013

Chief Procurement Officer
Bureau of Purchasing
1300 Perdido, Suite 4W07
New Orleans, Louisiana 70112

To Whom It May Concern:

Mathes Brierre Architects are excited to be part of the design team that will put the World Trade Center building back into commerce as the premiere hotel and residential mixed-use facility so prominently featured on the City's waterfront.

As home to the World Trade Center organization, the Plimssoll Club, and countless businesses over the years, this building offered tremendous benefits to users. From the wide, two-story lobby space to the ample floor-to-floor heights throughout the building along with its more-than-adequate elevator core, this building has provided tenants with opportunities that rival some of the CBD's finest buildings today. With few large buildings close by, its position at the foot of Canal Street offers breathtaking views on every side that have been the envy of many throughout the years.

As demonstrated by the floor plans enclosed, the conversion of this once-grand, very unique, office tower into a mixed-use hotel and residential facility is a natural fit that we feel can easily be accommodated within the existing footprint and with the current vertical circulation elements. With the addition of proper corridor separations and limitations on corridor lengths, this facility can be adapted to meet current code requirements for both daily and emergency operations with the existing stairwells of the property, as the plans indicate.

We are confident that the cosmetic damage that has occurred to the building over the years can be easily repaired and does not pose a threat to the viability of the building for the long-term future. The gutted floors on 4-17 offer a window into the simplicity and the fortitude of the quality construction that established the groundwork for this grand building. We have no doubts that, once renovated, it will provide its users with many years of service.

When completed, we expect to have designed a best-in-class luxurious, lifestyle hotel with a stunning lobby and entrance space and an architecturally exciting building with generous meeting spaces, recreational areas and other enticing amenities. The hotel will afford larger than average rooms for the New Orleans market and will provide exceptional views of the entire city. The residents will have their own generous private entrance, dedicated elevators and a great suite of amenities on the 31st Floor. The residential units will also be larger than most in the local market, offering views and luxuries beyond compare in the city. Visitors will be thrilled with the main restaurant on the First Floor as well as the return of the revolving club to the iconic space on top of the building.

201 St. Charles Avenue, Suite 4100, New Orleans, LA 70170-4100 504.586.9303, phone. 504.582.1305, fax. architecture@mathesbrierre.com

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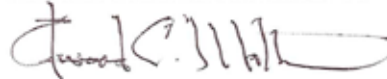
MATHES BRIERRE SUPPORT LETTER RE: WTC DESIGN/CODES

RFP 4051-01414
April 8, 2013
Page 2

We hope that this letter is helpful in clarifying any confusion that may exist regarding the viability and inherent attractiveness of the WTC building design and existing structure for a highly successful and valuable adaptive re-use. Please do not hesitate to contact us with any additional questions you may have.

Yours very truly,

MATHES BRIERRE ARCHITECTS

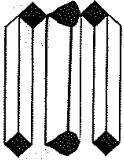


Edward C. Mathes
Chairman



Creed W. Brierre, FAIA
President

MORPHY, MAKOFSKY, INC. SUPPORT LETTER RE: STRUCTURAL INTEGRITY



MORPHY, MAKOFSKY, INC.
CONSULTING ENGINEERS
336 N. Jefferson Davis Parkway
New Orleans, LA 70119
P:504/488-1317 F:504/488-0924
www.mmi-eng.com

Donald C. Makofsky

Jamie L. Saxon
Jonathan S. Sofranko
H. Stephan Bernick
A. Toli Savvaides

April 5, 2013

Chief Procurement Officer
Bureau of Purchasing
1300 Perdido Street
Suite 4W07
New Orleans, LA 70112

Re: RFP 4051-01414
Redevelopment of World Trade Center Site

Dear Sir or Madam:

The existing W.T.C. Building is a reinforced concrete structure. The foundation consists of pile caps under each column, with the piles having an allowable capacity of 120 tons each. The floors typically consist of cast in place concrete joist spanning between cast in place concrete girders. A three inch slab spans across the top of the joists. The girders are supported by concrete columns that reduce in size as the height of the building increases. Floor levels thirty one, thirty two, thirty three and the Upper roof are framed from structural steel.

There are no signs of settlement in the building indicating that the foundation is robust and has been more than adequate during the life of the building. There are no signs of structural distress throughout the building also indicating that the building structure is more than adequate for the intended loading during the lifespan of the structure. There have been reports of miscellaneous soffit and cladding issues on the building, but these are superficial items that do not reflect upon the structural adequacy of the building. In general, the building structure will be more than adequate for the proposed intended uses.

The idea of constructing a monumental attraction/"Sky Wheel" at Spanish Plaza on the Wharf along the River has been proposed, similar to the Sky Wheel that was built in Seattle on a pier over the water in summer 2012. While the current wharf structure at this area would not be adequate to support such construction, supplemental piling and construction could be installed as required to meet the structural loading demands, as was also done in Seattle. Other examples of such construction locally would include the Aquarium of the Americas, the former Gondola that crossed the Mississippi River, the Riverwalk Mall and other nearby structures along the riverfront.

Finally, the other major master site plan elements proposed in the enclosed RFP response, including connection of the main pedestrian Wharf along the River between the Aquarium and Spanish Plaza, the demolition of the Ferry enclosed walkways, and the renovation of the existing Ferry building, would all be feasible from a structural perspective.

MORPHY, MAKOFSKY, INC. SUPPORT LETTER RE: STRUCTURAL INTEGRITY

Chief Procurement Officer
Bureau of Purchasing
April 5, 2013
Page 2

Please do not hesitate to call with any questions you may have.

Yours truly,

MORPHY, MAKOFSKY, INC.



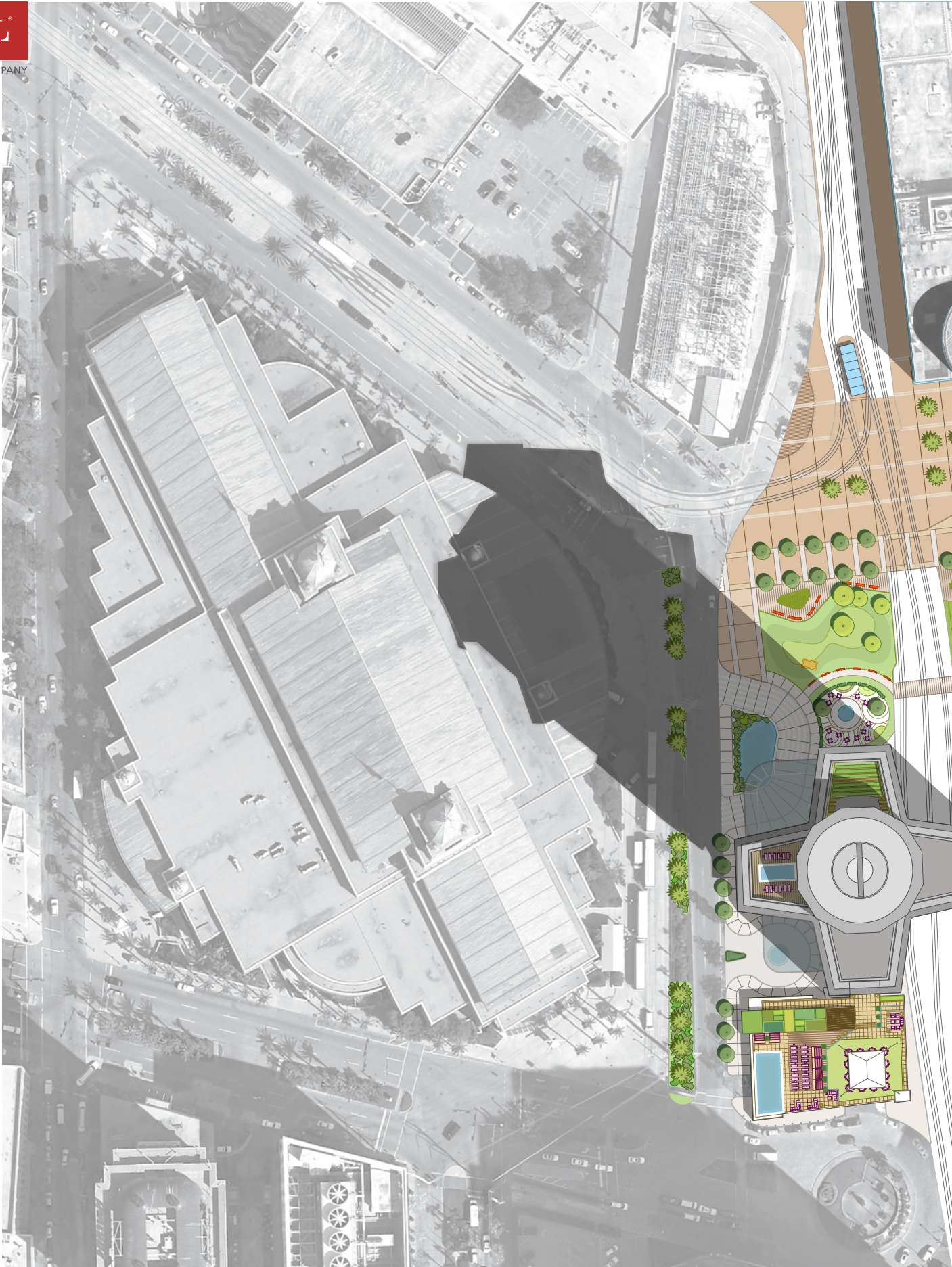
Jamie Saxon, P.E.

JLS:abm\2013\misc\WTC Synopsis

D. DESCRIPTION OF USE OF SPACE WITH DESIGN ELEMENTS FOR CIVIC AND COMMUNITY BENEFIT

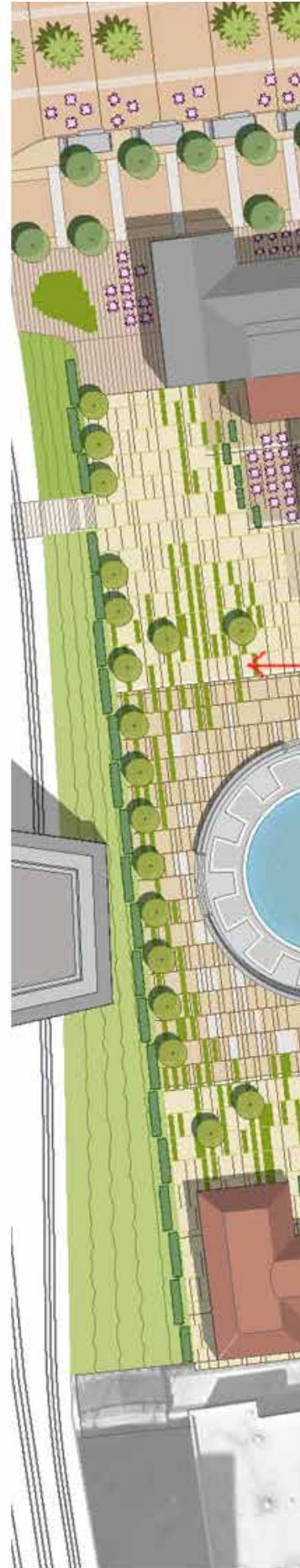
In this section, please find our team’s advanced, detailed architectural plans and renderings of our proposed WTC redevelopment and overall master site plan. We believe the enclosed plans and renderings fully and comprehensively address and exceed all of the items requested in this section, and support our overall arguments and strategy described above.

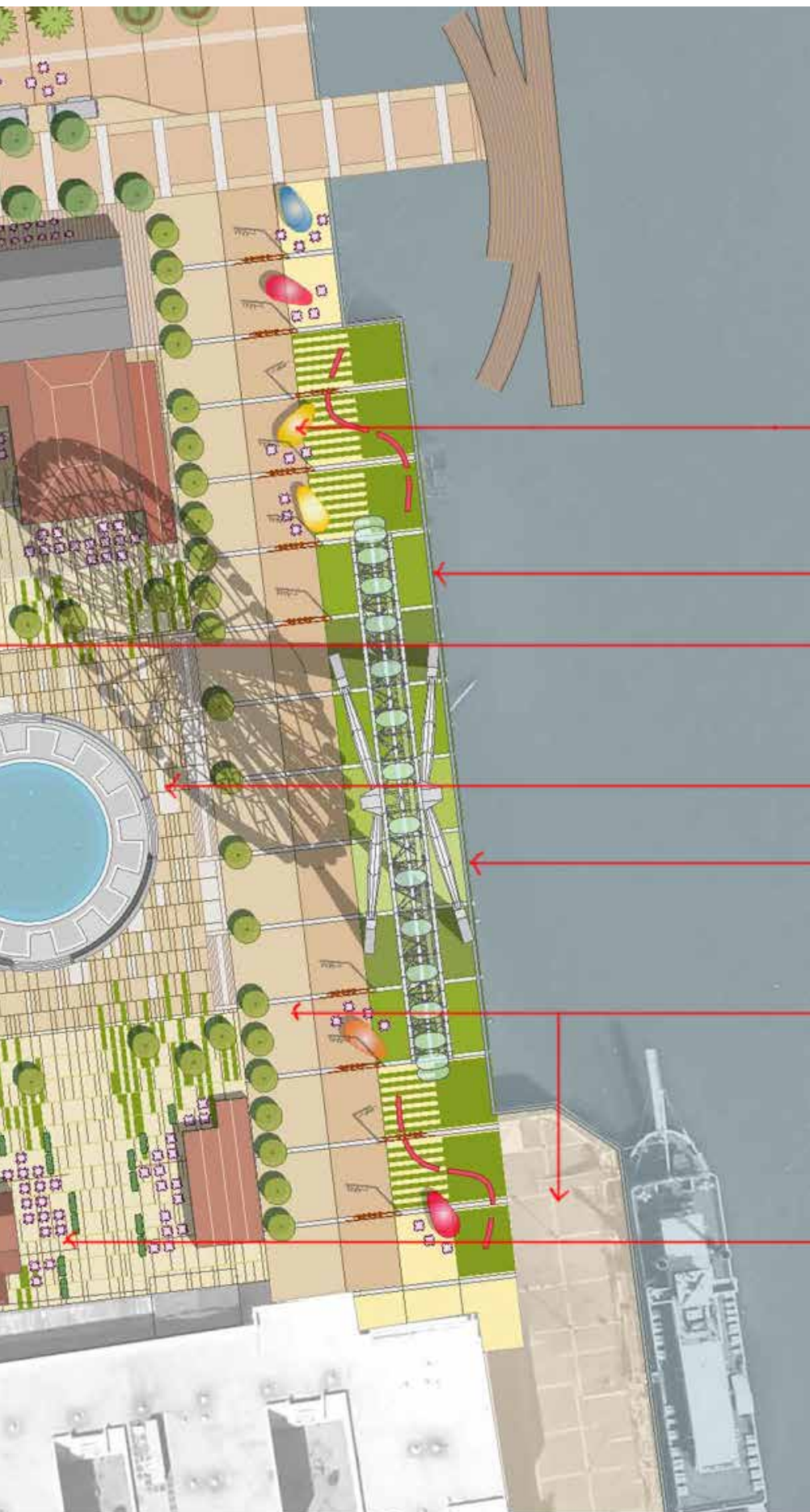
Regarding the proposed maintenance program for all space and facilities to be accessible to the public, all W Hotel public elements and associated public restaurant, bar, and entertainment venues at the WTC will be fully maintained and funded from the private operations. As more fully described in Section 4, we believe the long-term maintenance of the major, surrounding City-owned civic spaces and improvements described in our master site plan proposal can potentially be paid for by the substantial new sales tax revenue generated primarily from the new Tri-Centennial Sky Wheel at Spanish Plaza. The new, directly-comparable Sky Wheel in Seattle will attract nearly 1 million riders paying an average of \$13 per ticket in its first year of operation, or approximately \$13 million in gross annual revenue, second only to the London Eye worldwide. We believe the Tri-Centennial Sky Wheel at Spanish Plaza along the Riverfront in New Orleans has the realistic potential to meet or exceed the proven performance in Seattle, but even if it achieves only half the ridership, this will represent a major new, recurring source of income for the City from new sales taxes that we believe can potentially be dedicated to fund long-term maintenance of the surrounding Riverfront civic spaces and ongoing public improvements in the future.





PROPOSED DISTRICT IMPROVEMENTS OUTSIDE OF WTC SCOPE





KIOSKS AND RETAIL
TO ENLIVEN BOARDWALK

GREEN / PLANTING EDGE
AT RIVER

REMOVE EXISTING PLANTERS
AND OBSTRUCTIONS

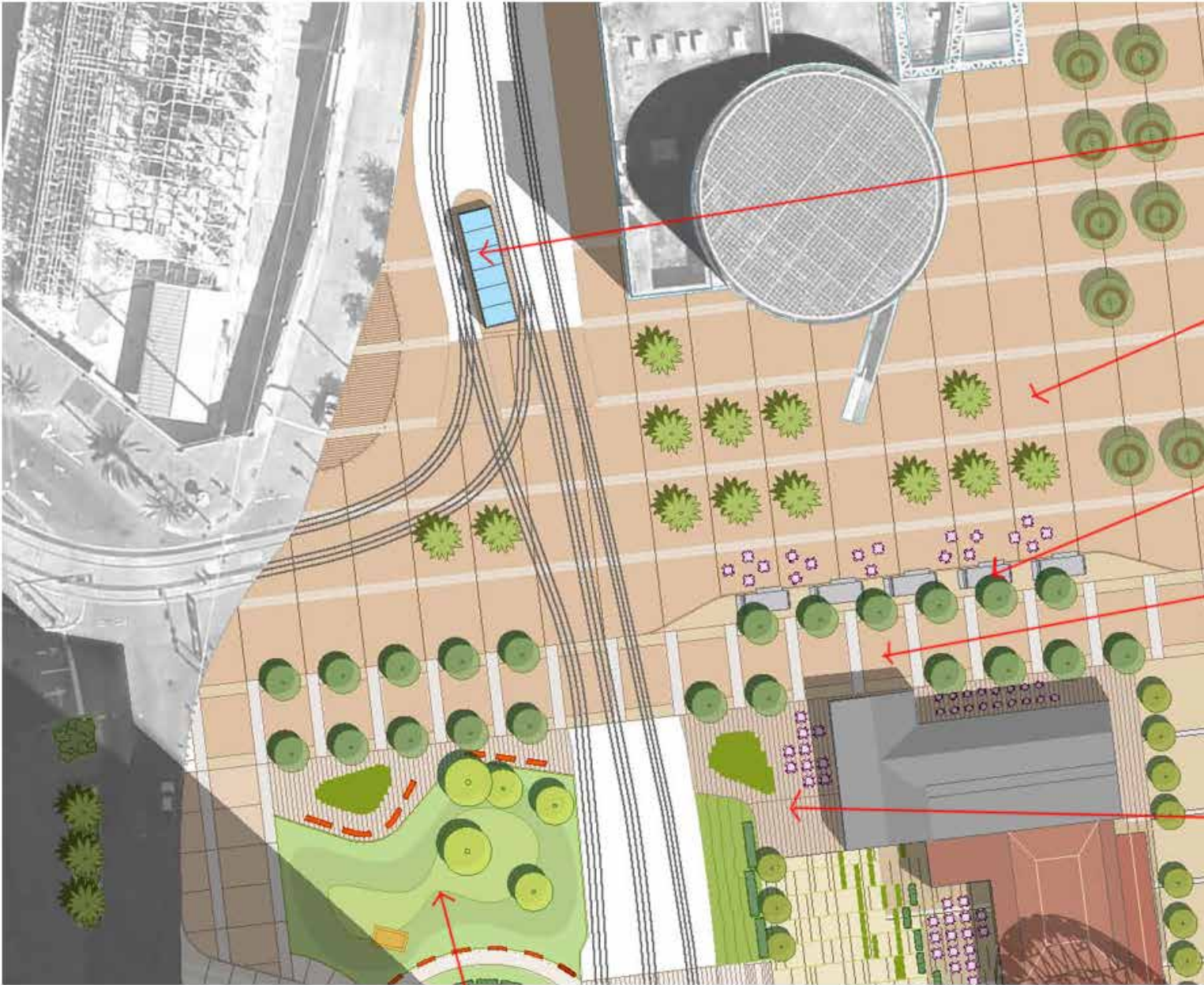
ENHANCED PAVING @
EXISTING SPANISH PLAZA

PROPOSED PUBLIC
'SKYWHEEL' ATTRACTION

UNIFY BOARDWALK W/
CONSISTENT PAVING

IMPROVE OUTDOOR DINING
OPPORTUNITIES

PROPOSED DISTRICT IMPROVEMENTS OUTSIDE OF WTC SCOPE



OUTDOOR GARDEN ADJACENT
TO HOTEL EXTERIOR RESTAURANT DINING



ICONIC TRANSIT-HUB BUILDING FOR FERRY, CAB, STREET CAR, & PEDI-CAB

UNIFY PAVING ALONG LENGTH OF BOARDWALK AND FILL IN GAP AT CURRENT FERRY DOCK

POTENTIAL LOCATION FOR FOOD-TRUCK VENDORS, AND OTHER RETAIL OPPORTUNITIES

REMOVE EXISTING ELEVATED FERRY WALKWAY AND CREATE A PEDESTRIAN CONNECTION @ GRADE

NEW PEDESTRIAN ONLY FERRY DOCK

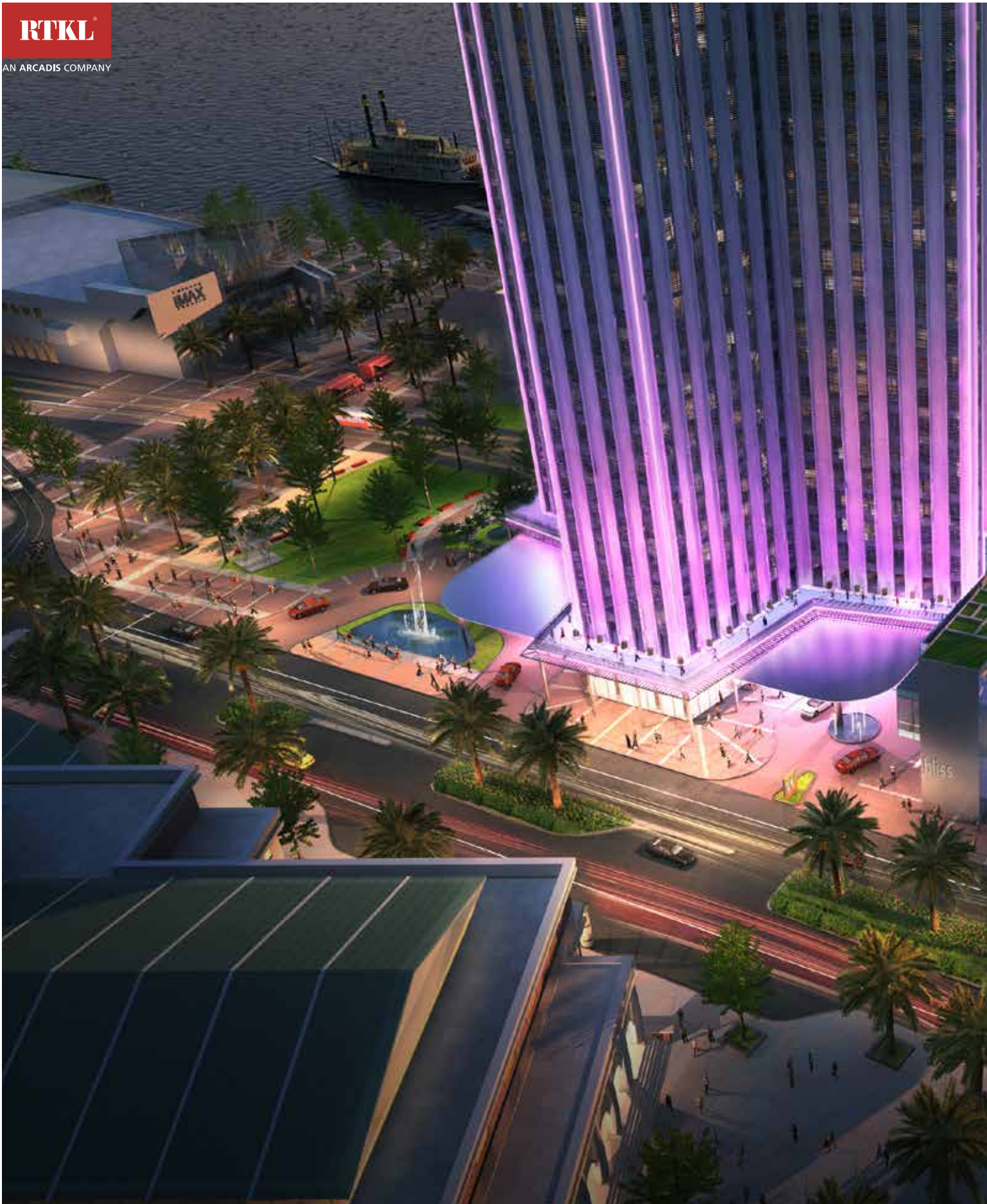
CREATE OUTDOOR STAIR CONNECTION FOR GUESTS FROM CANAL STREET INTO SPANISH PLAZA AS MAIN ENTRY



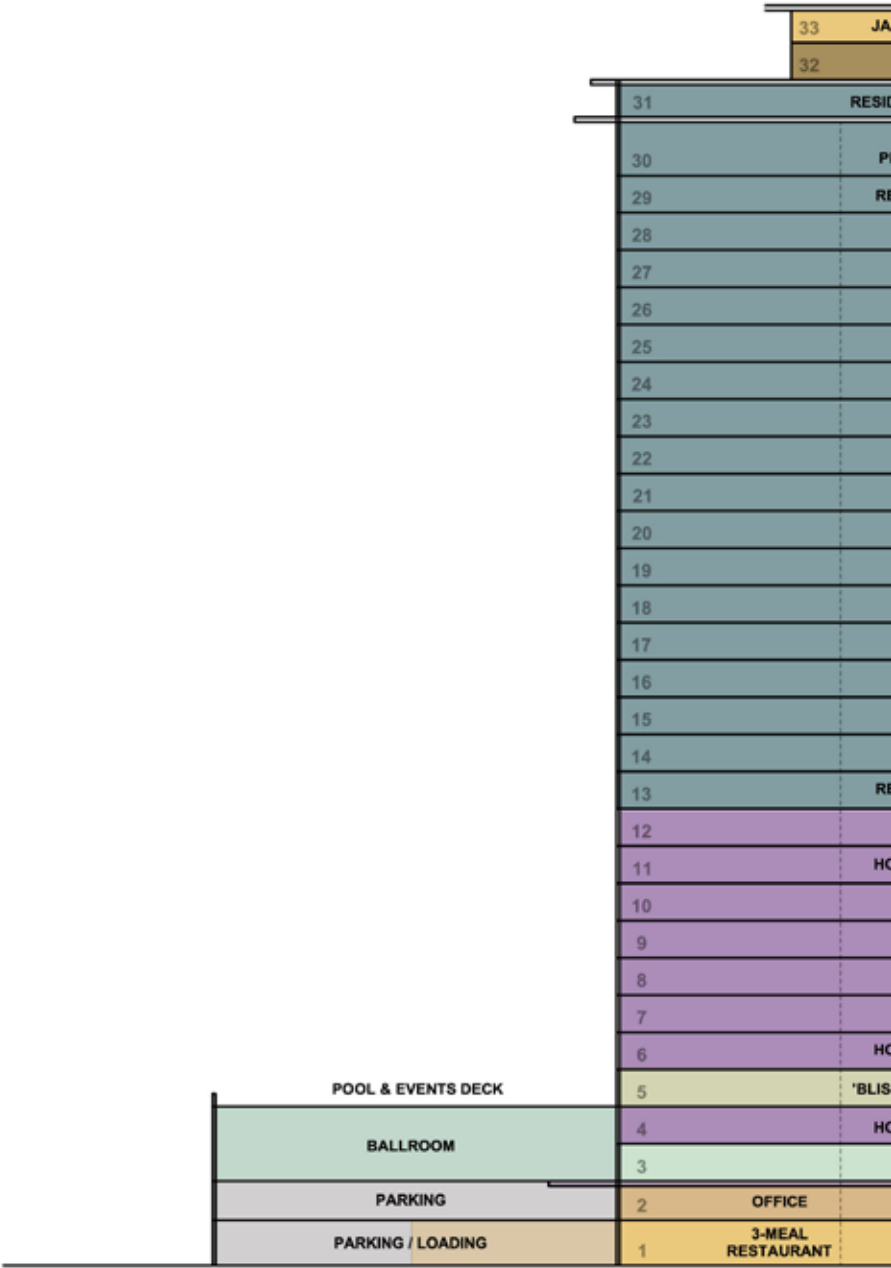




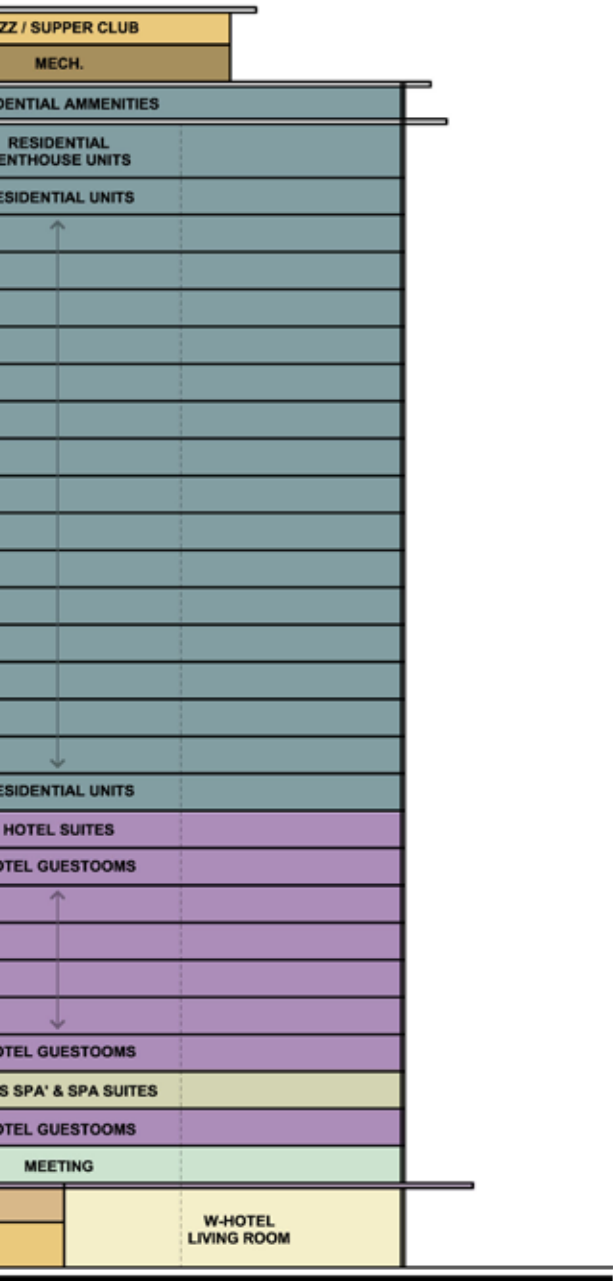






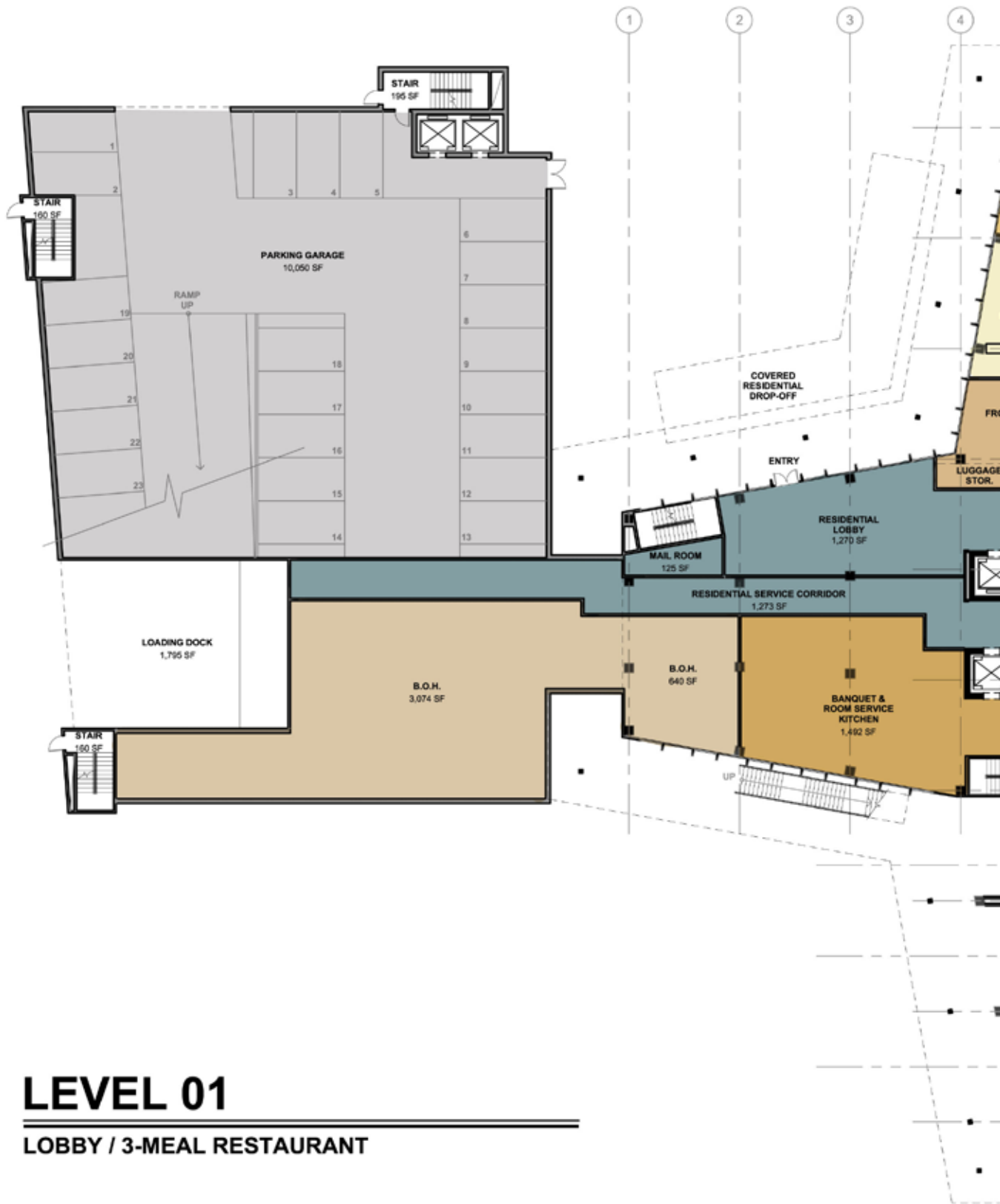


BUILDING SECTION



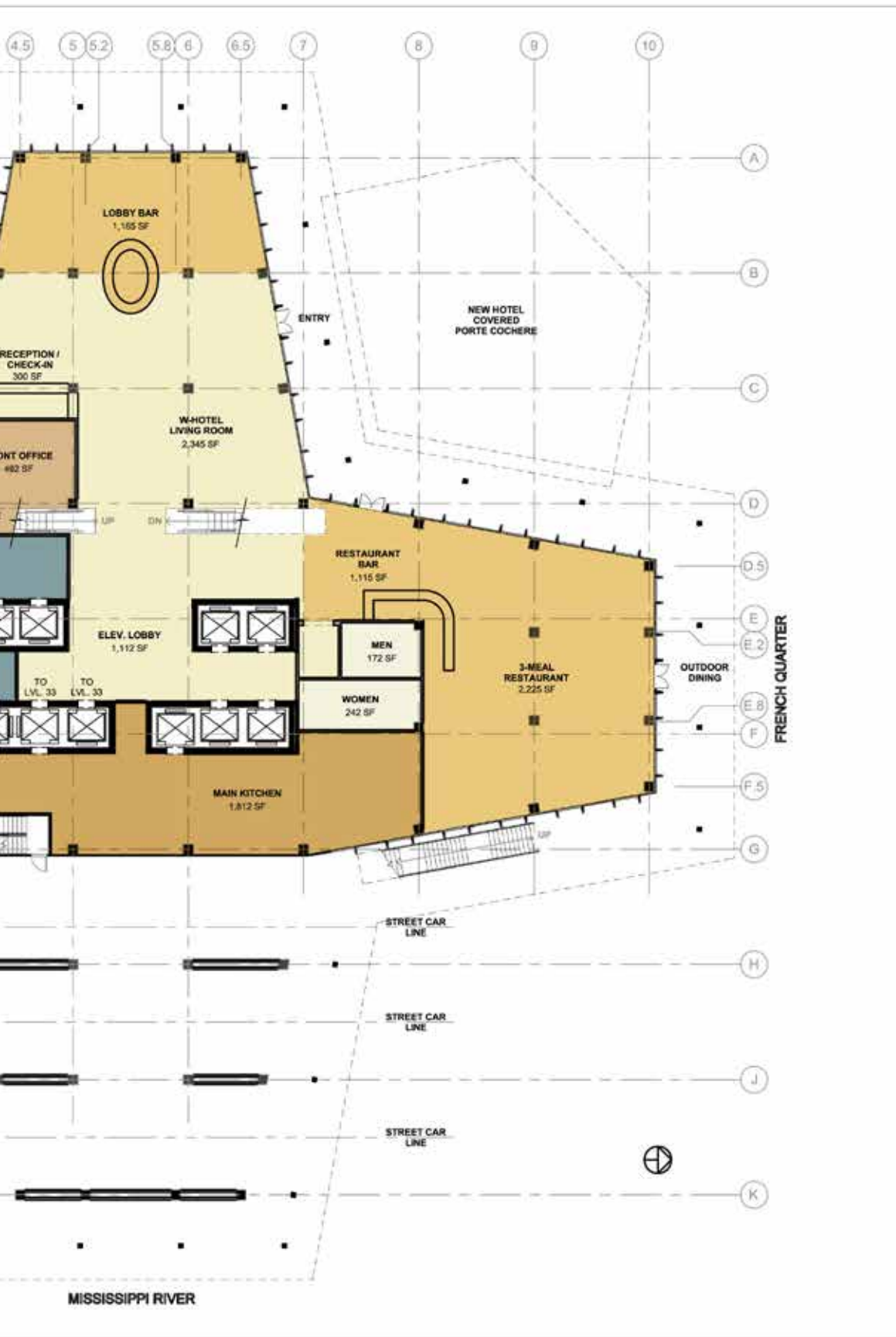
PROGRAM LEGEND

	Guest Room
	Balcony
	Concierge Lounge
	Residential
	Conference
	Meeting
	Fitness
	Prefunction
	Public Circulation
	Restroom
	F&B
	F&B Kitchen
	Hotel Offices
	B.O.H Circulation
	B.O.H.
	Mechanical
	Parking



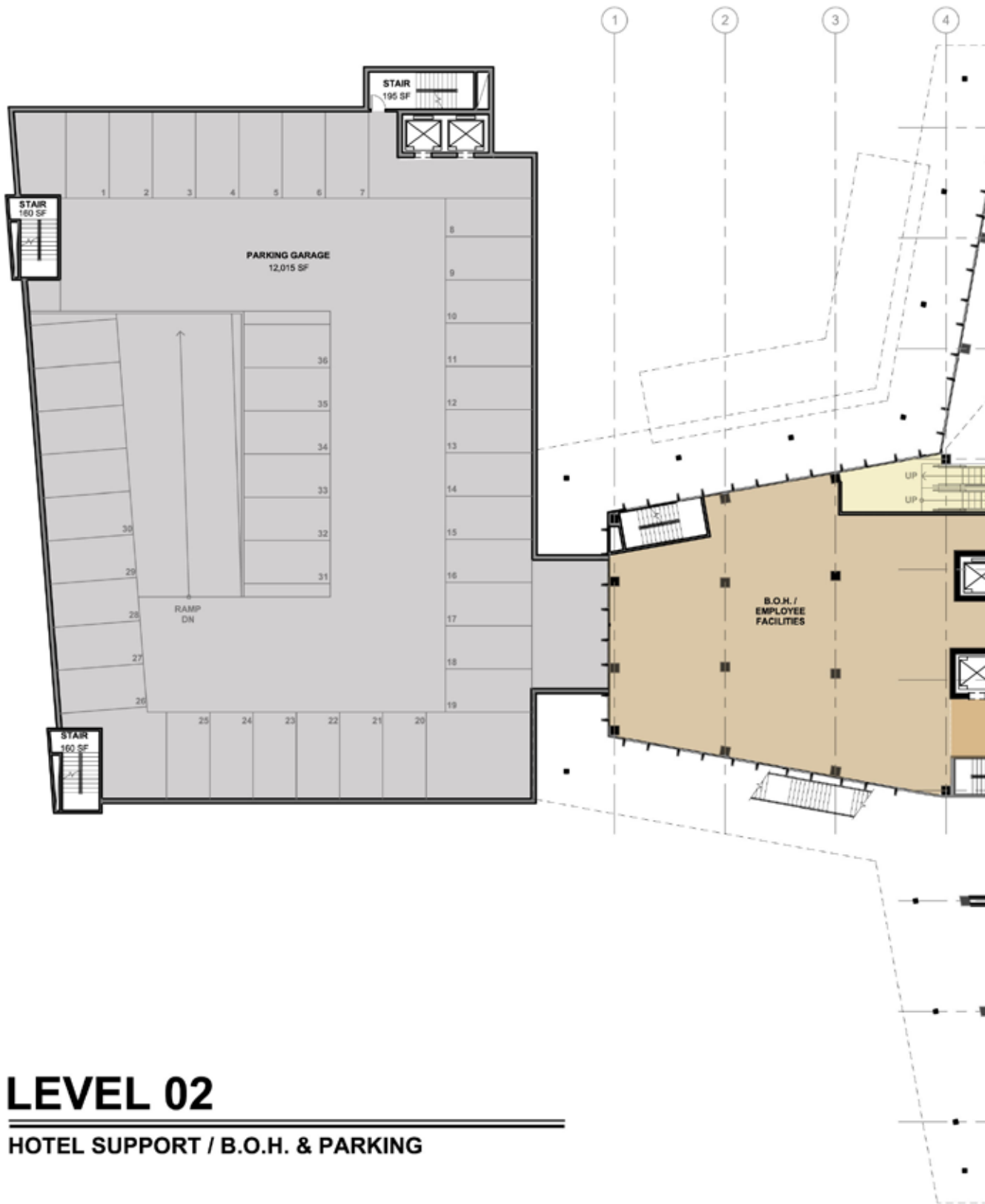
LEVEL 01

LOBBY / 3-MEAL RESTAURANT



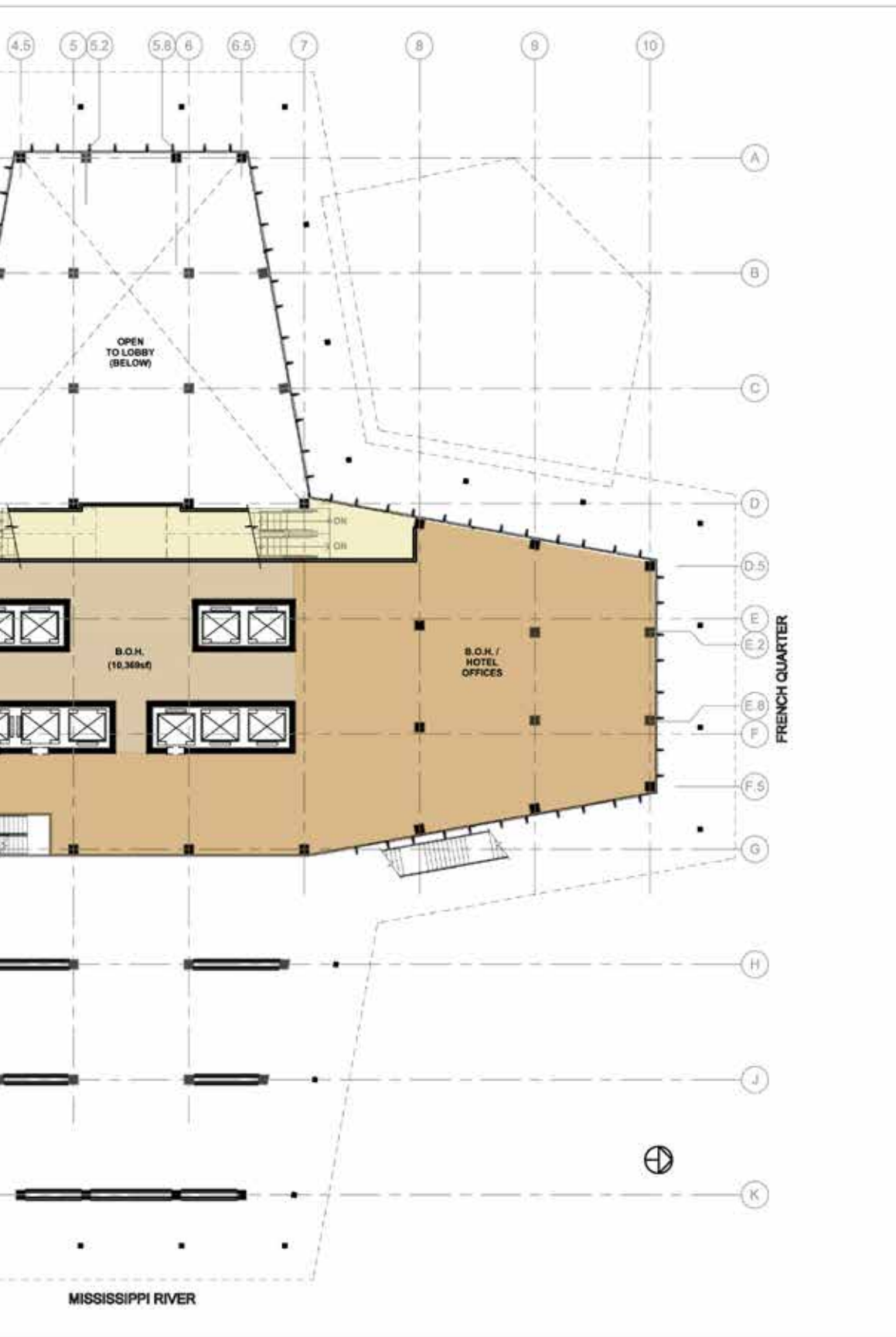
PROGRAM LEGEND

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	F&B Kitchen
	Hotel Offices
	B.O.H Circulation
	B.O.H.
	Mechanical
	Parking



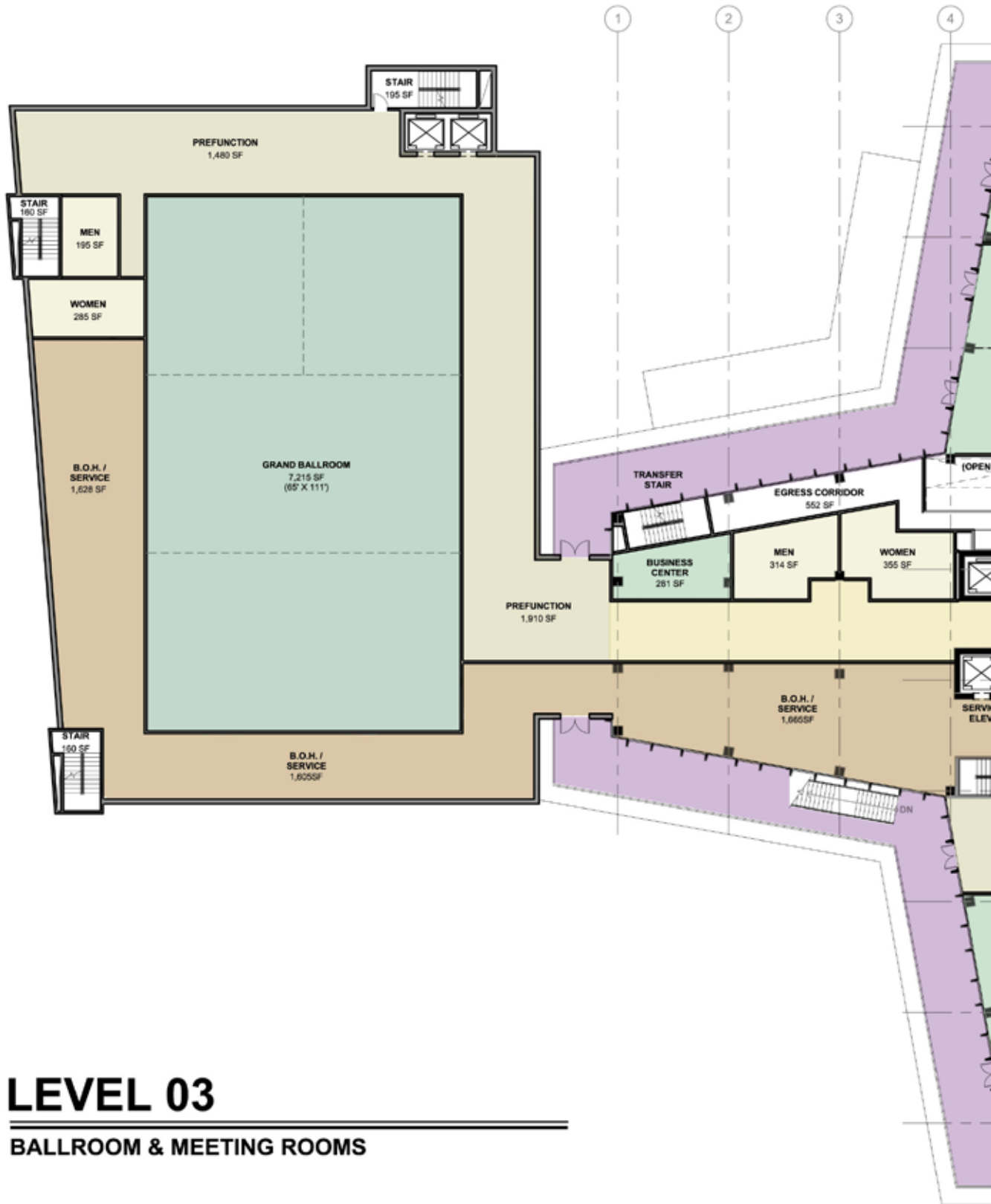
LEVEL 02

HOTEL SUPPORT / B.O.H. & PARKING



PROGRAM LEGEND

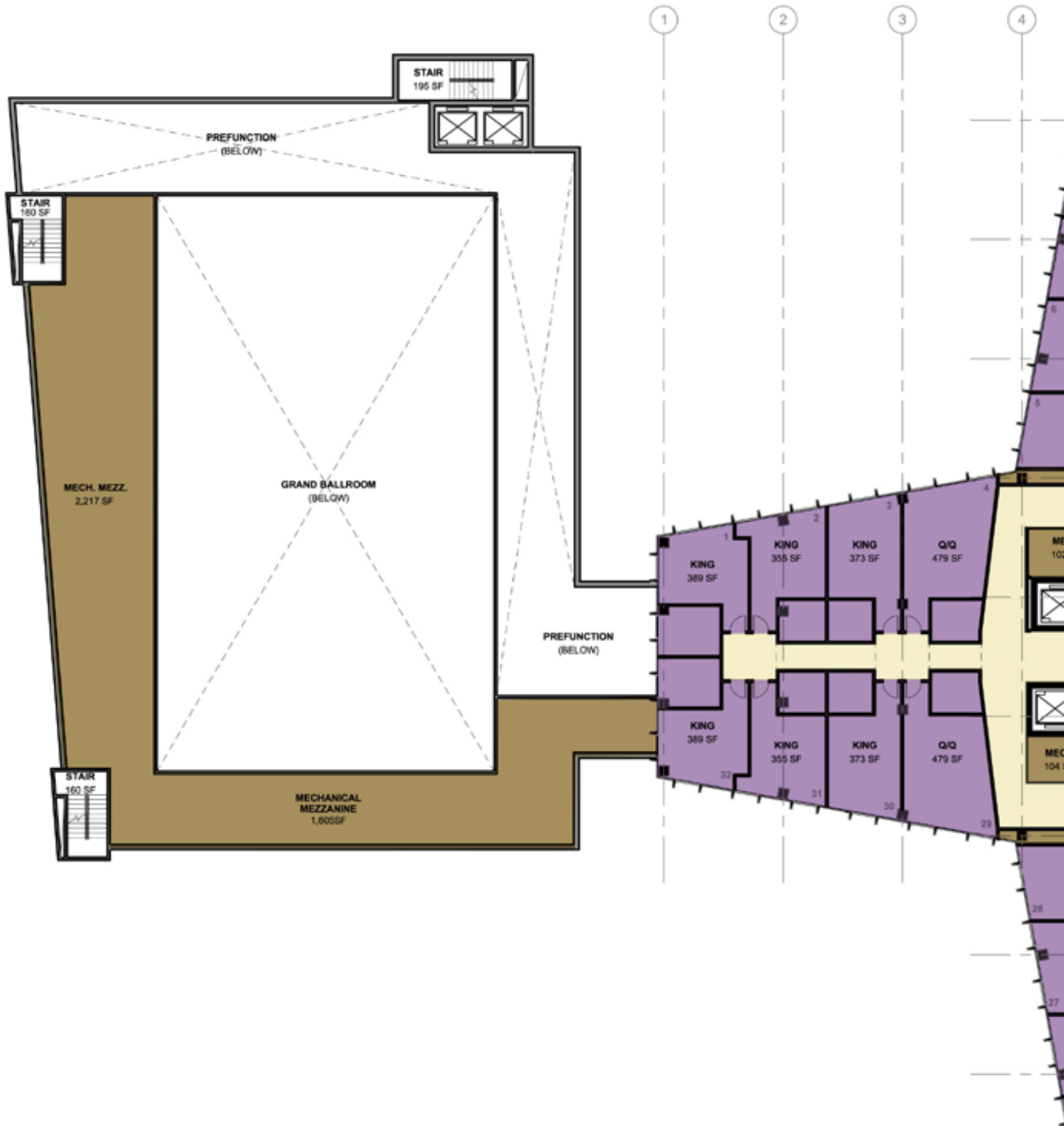
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	Meeting
	Fitness
	Prefunction
	Public Circulation
	Restroom
	F&B
	F&B Kitchen
	Hotel Offices
	B.O.H. Circulation
	B.O.H.
	Mechanical
	Parking





PROGRAM LEGEND

	Guest Room
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	B.O.H.
	Mechanical
	Parking



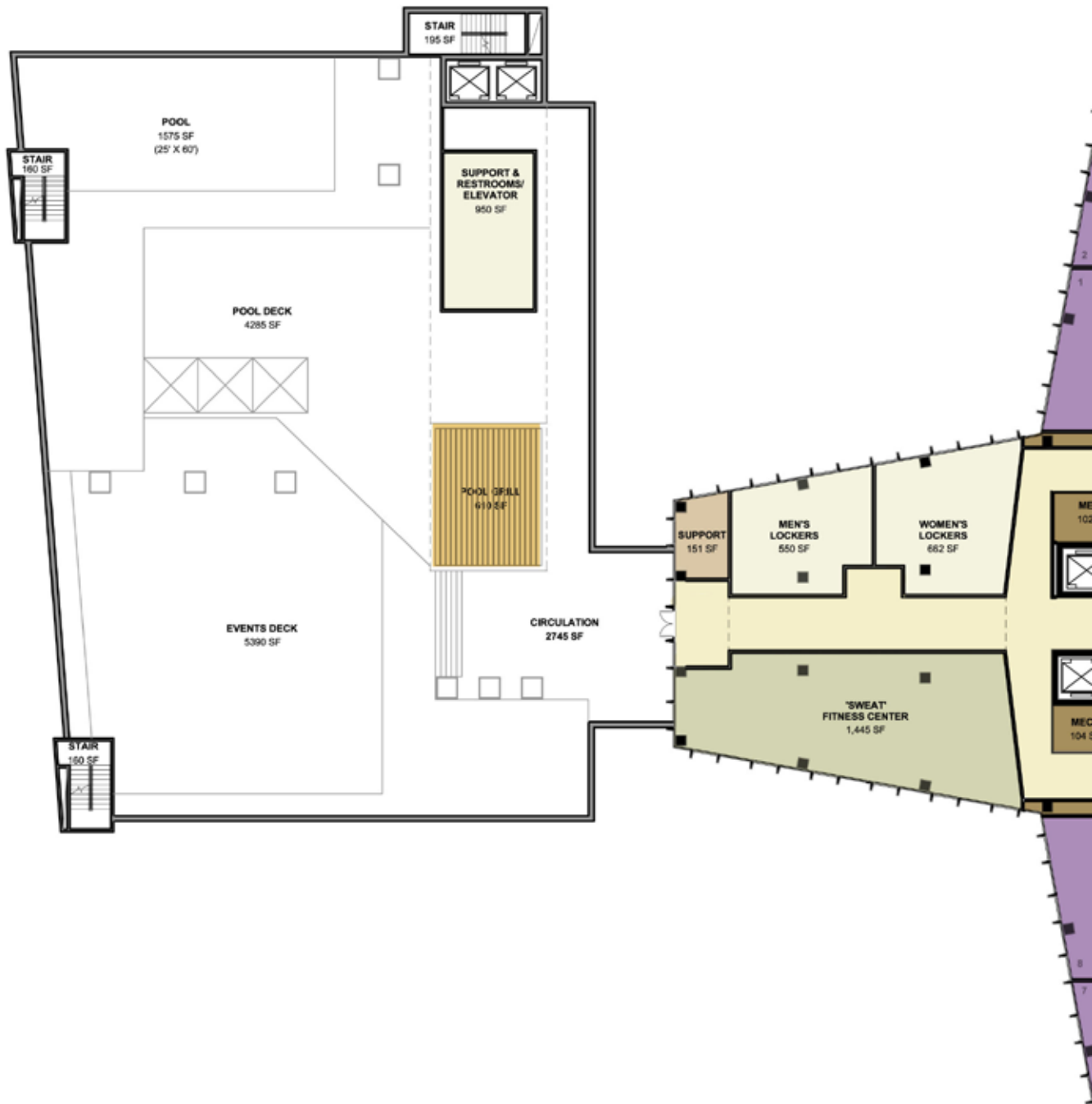
LEVEL 04

HOTEL GUESTROOMS



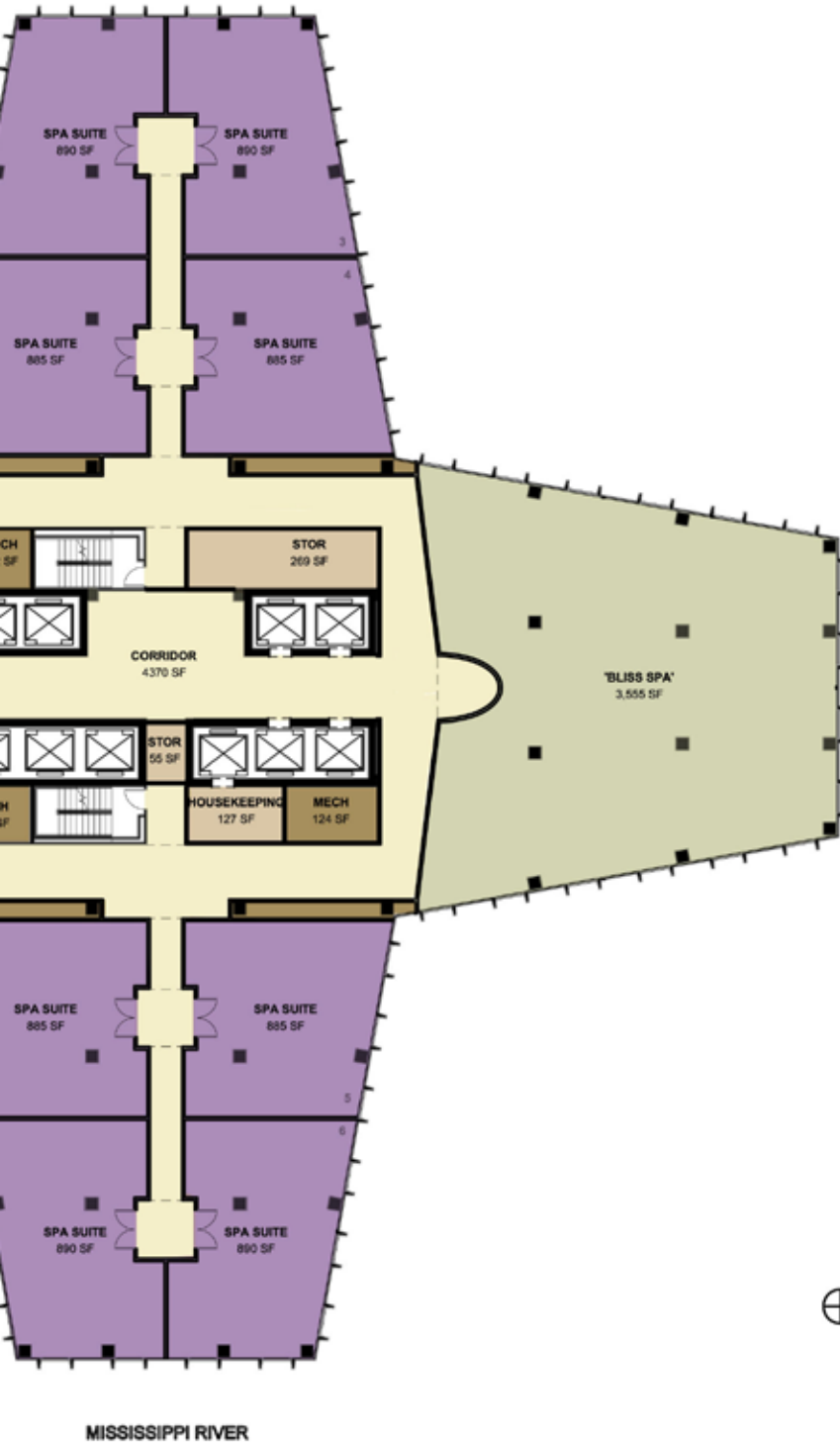
PROGRAM LEGEND

- Guest Room
- Balcony
- Concierge Lounge
- Residential
- Conference
- Meeting
- Fitness
- Prefunction
- Public Circulation
- Restroom
- F&B
- F&B Kitchen
- Hotel Offices
- B.O.H. Circulation
- B.O.H.
- Mechanical
- Parking



LEVEL 05

**SPA & SPA SUITES / OUTDOOR
POOL & EVENTS DECK**



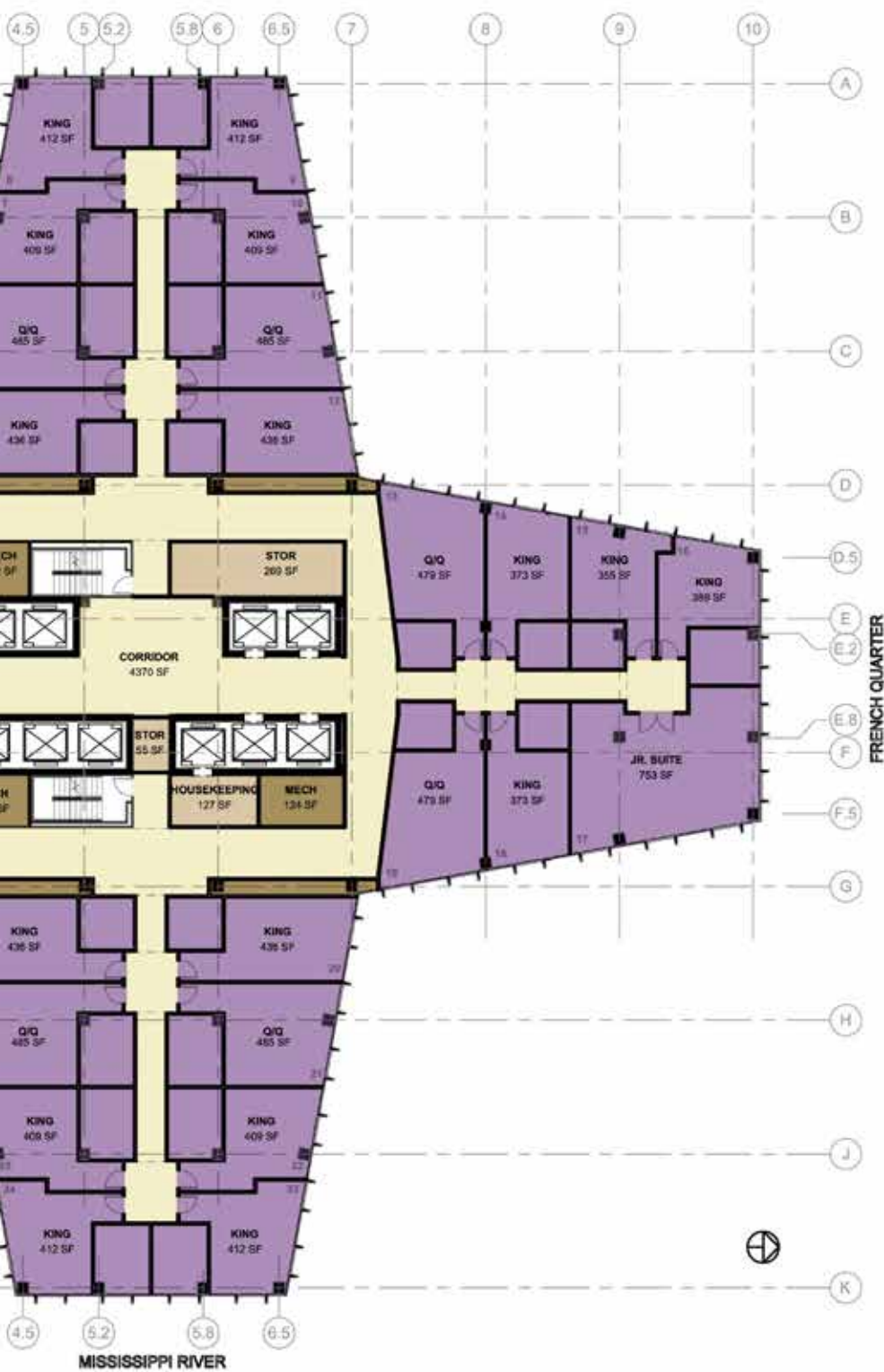
PROGRAM LEGEND

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- Parking



LEVELS 06-11

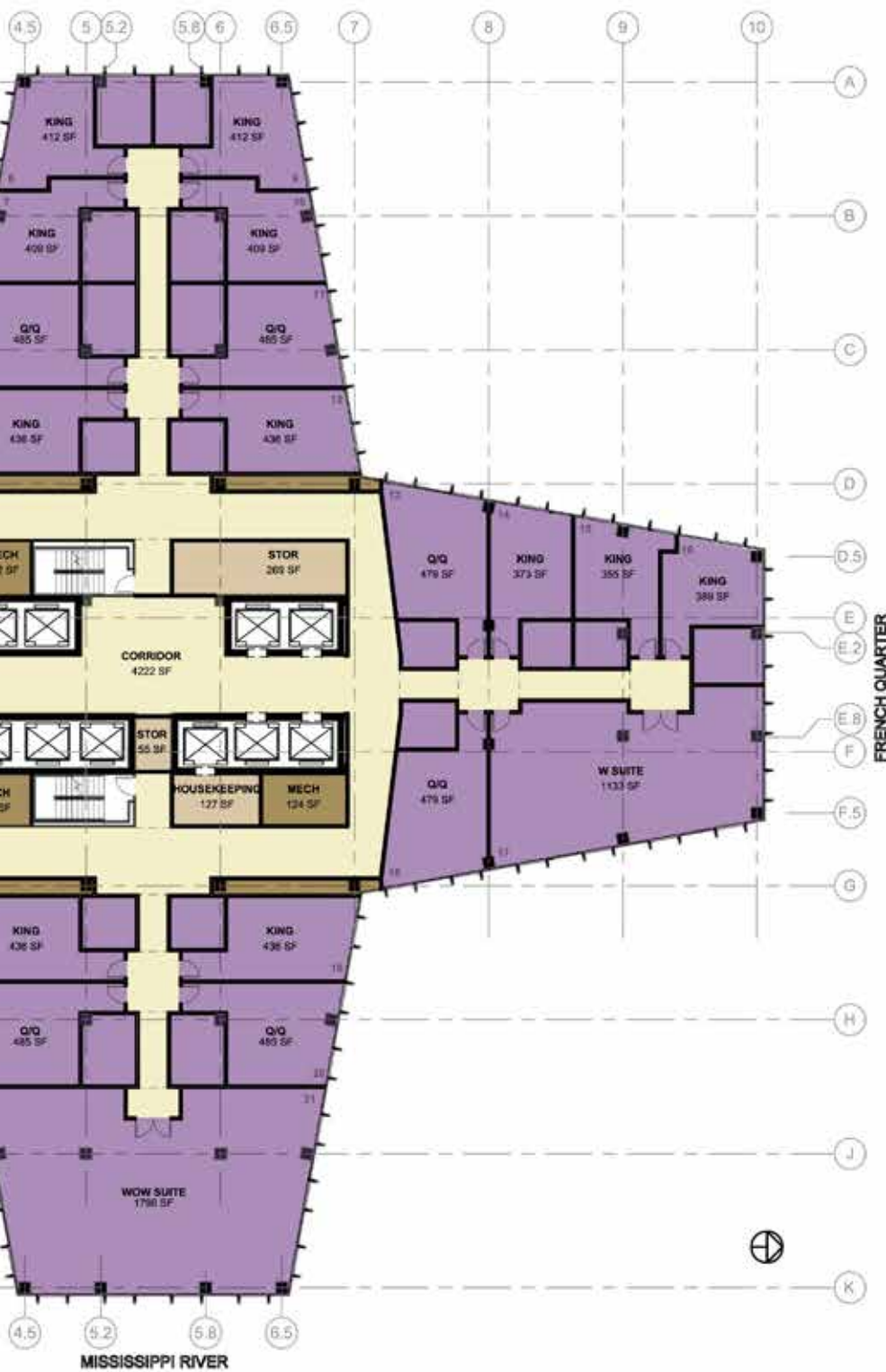
TYPICAL HOTEL GUESTROOMS





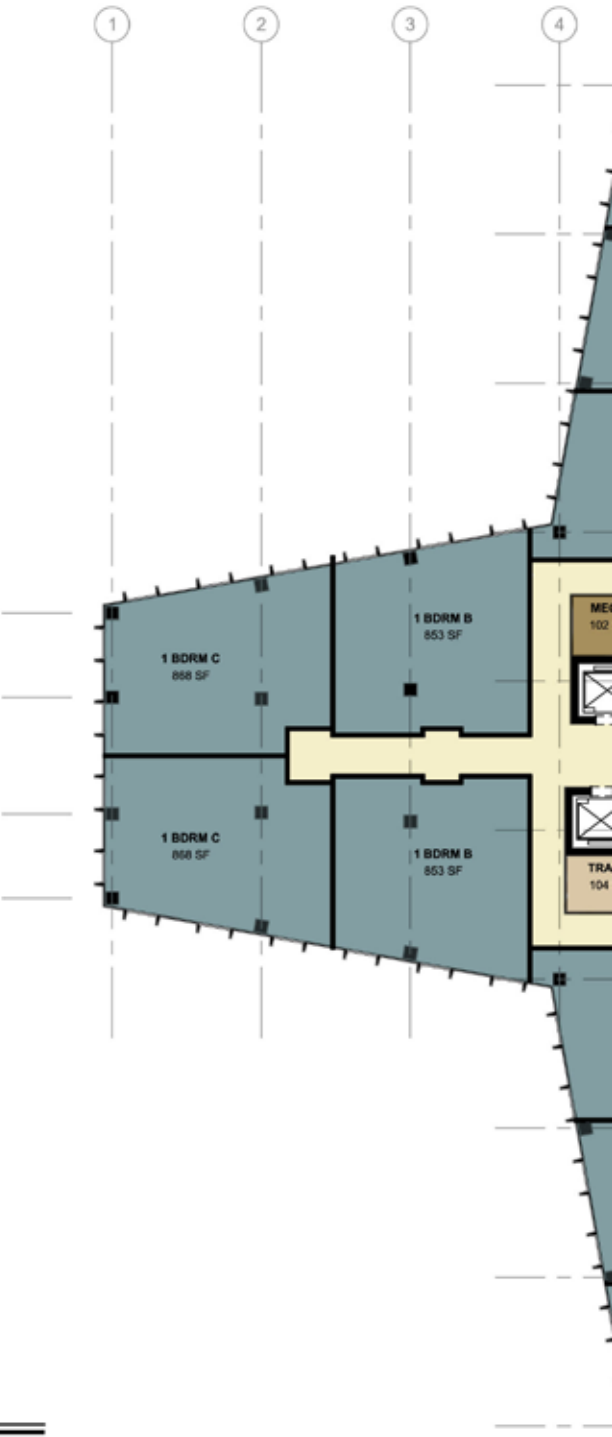
LEVEL 12

HOTEL GUESTROOMS & SUITES



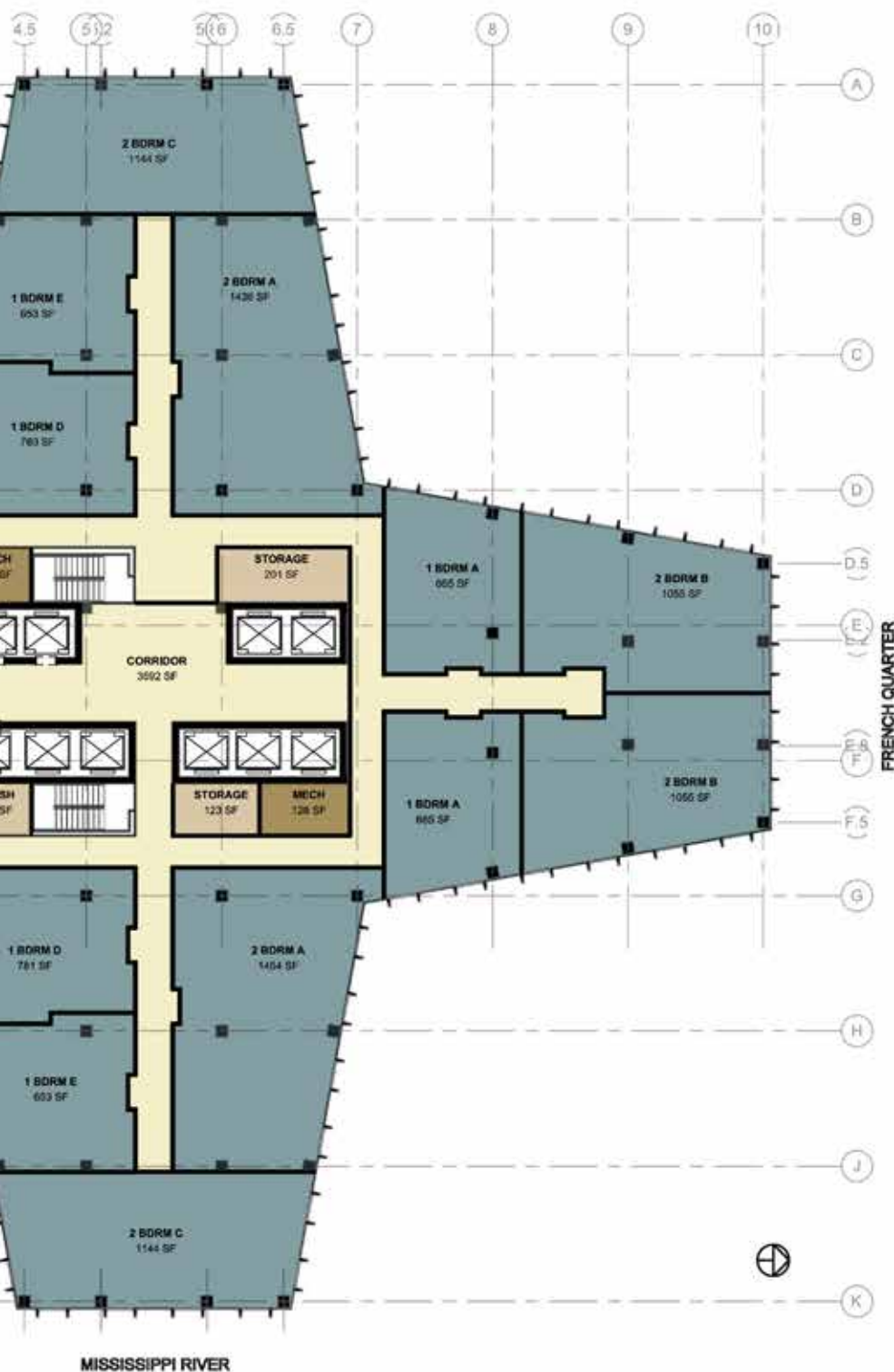
PROGRAM LEGEND

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- B.O.H. Circulation
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- Mechanical
- Parking



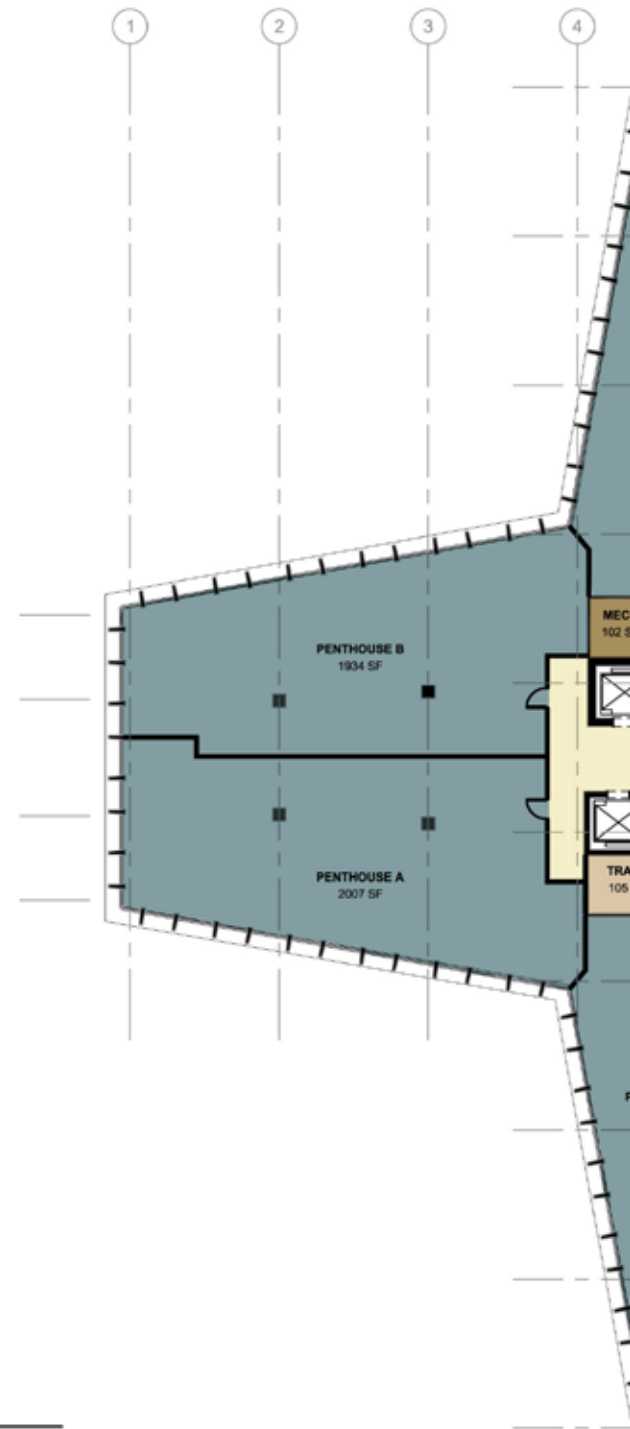
LEVEL 13-29

TYPICAL RESIDENTIAL UNITS



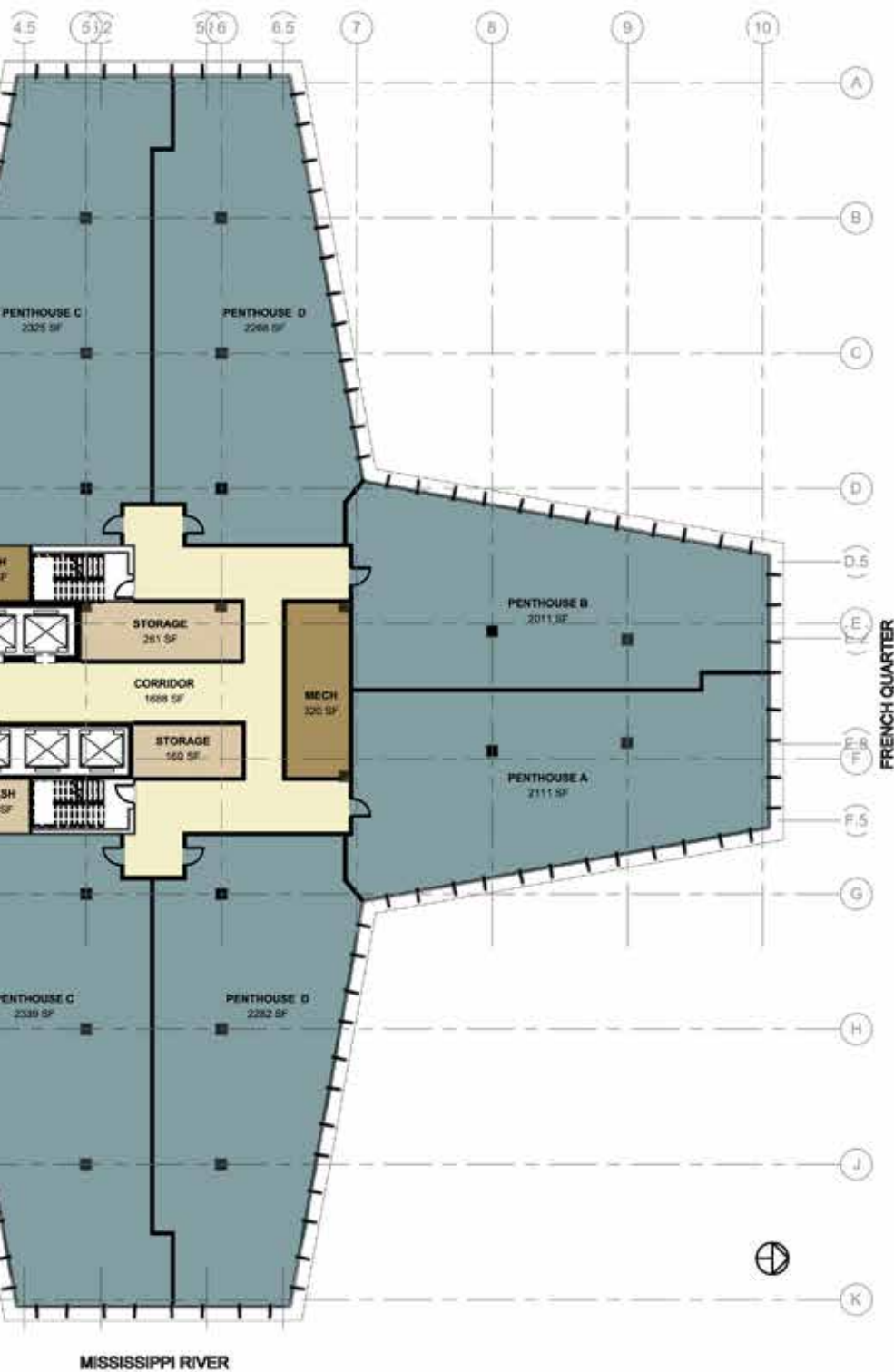
PROGRAM LEGEND

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- F&B Kitchen
- Hotel Offices
- B.O.H. Circulation
- B.O.H.
- Mechanical
- Parking



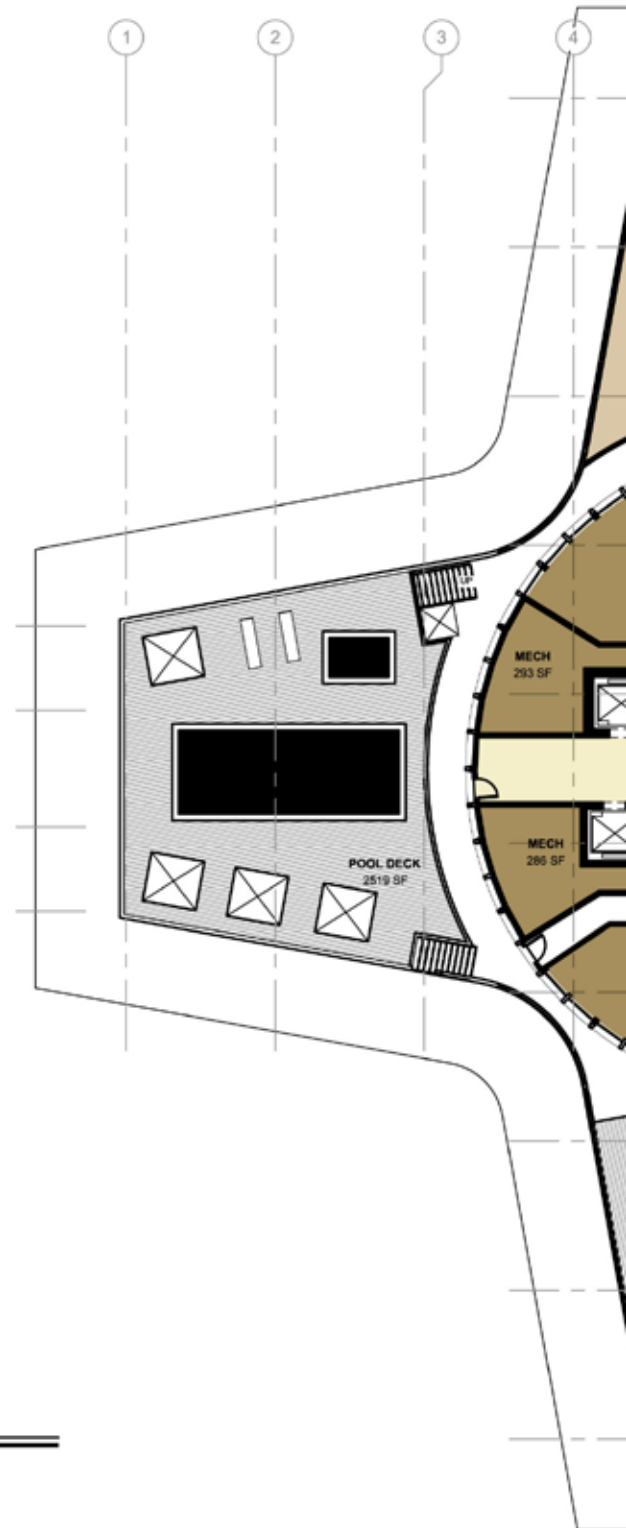
LEVEL 30

RESIDENTIAL PENTHOUSE UNITS



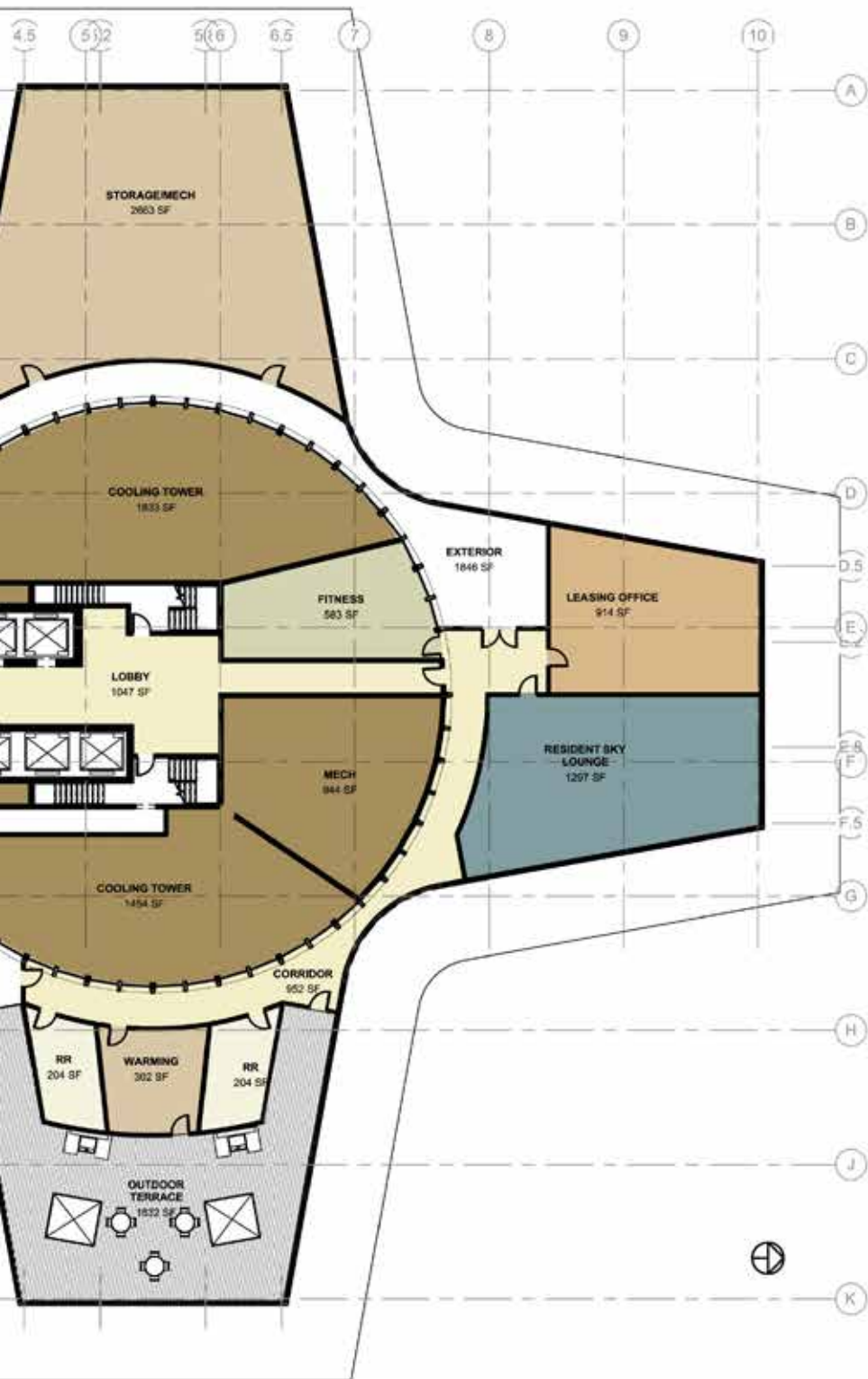
PROGRAM LEGEND

	Guest Room
	Balcony
	Concierge Lounge
	Residential
	Conference
	Meeting
	Fitness
	Prefunction
	Public Circulation
	Restroom
	F&B
	F&B Kitchen
	Hotel Offices
	B.O.H. Circulation
	B.O.H.
	Mechanical
	Parking



LEVEL 31

RESIDENTIAL AMMENITIES

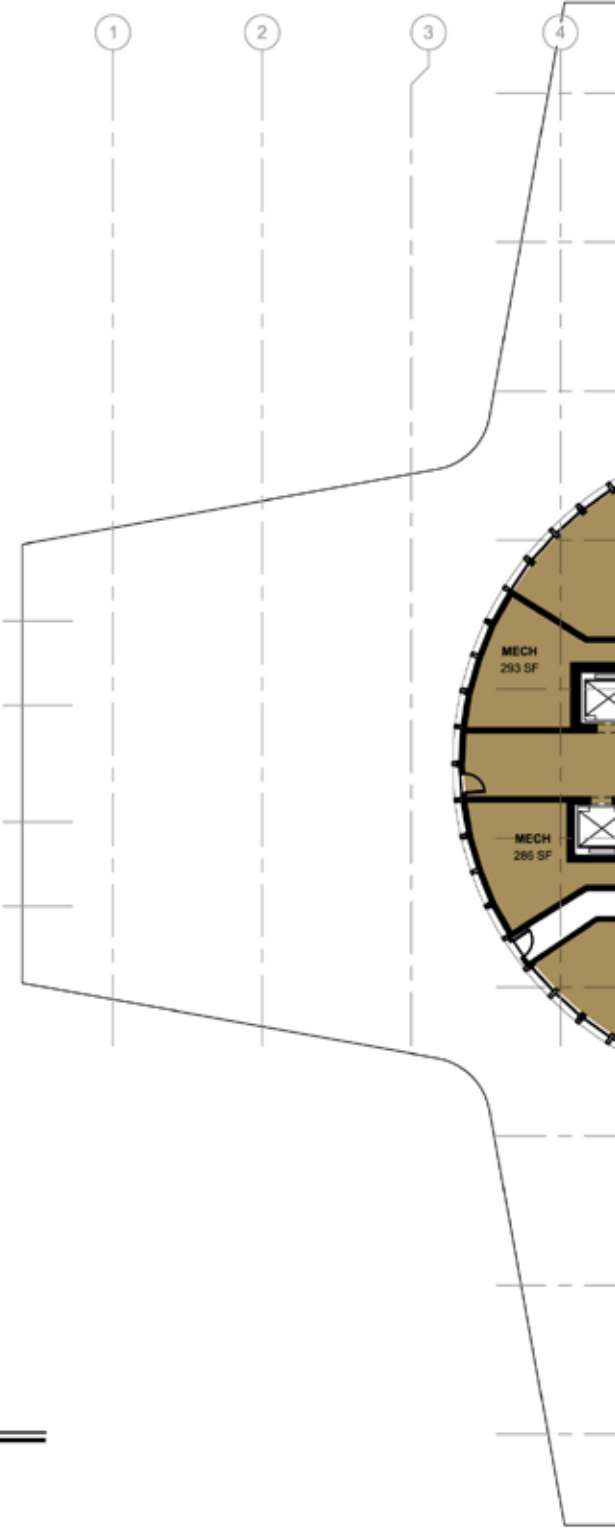


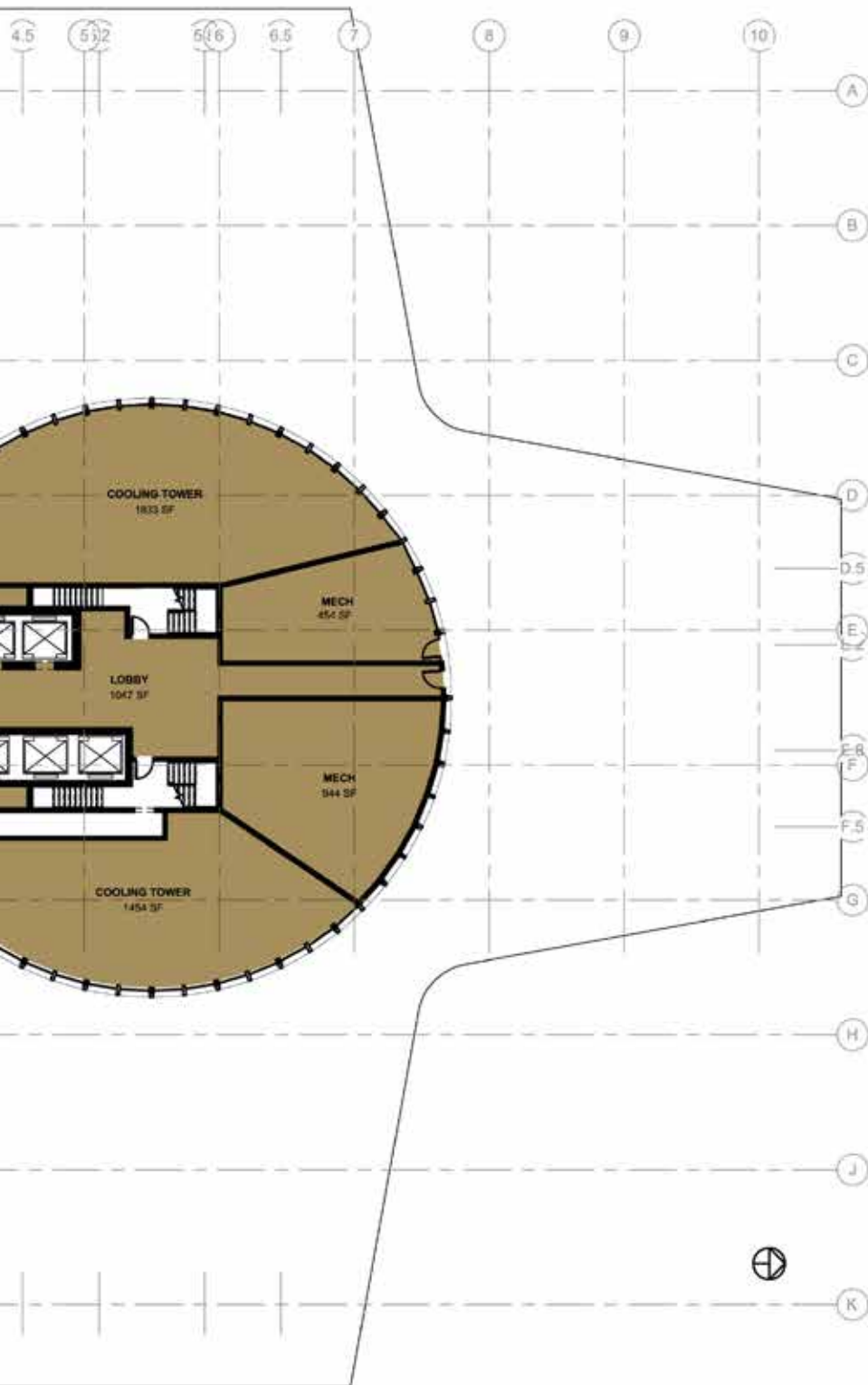
PROGRAM LEGEND

- Guest Room
- Balcony
- Concierge Lounge
- Residential
- Conference
- Meeting
- Fitness
- Prefunction
- Public Circulation
- Restroom
- F&B
- F&B Kitchen
- Hotel Offices
- B.O.H Circulation
- B.O.H.
- Mechanical
- Parking

LEVEL 32

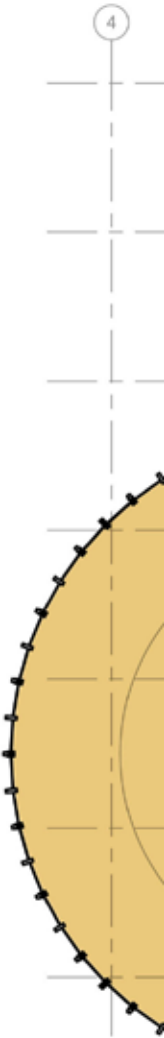
MECHANICAL





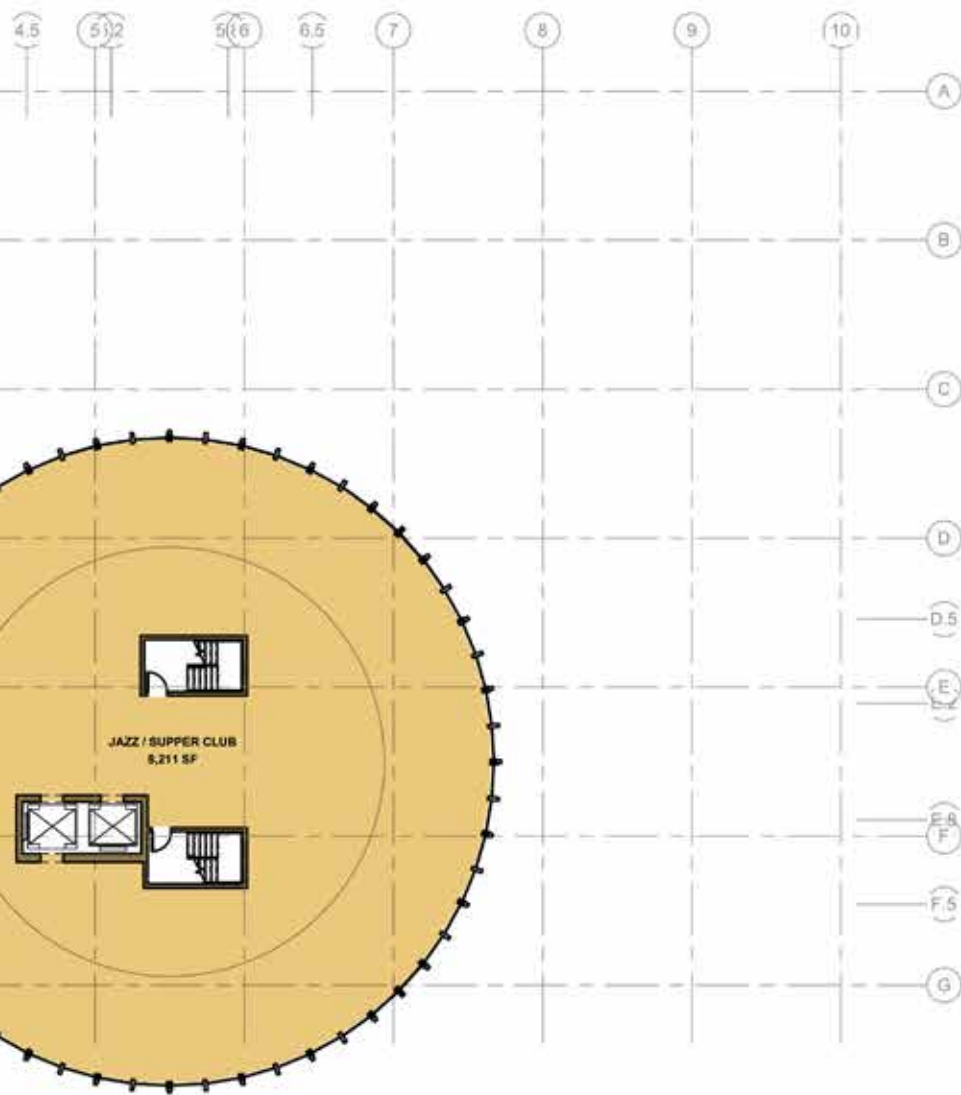
PROGRAM LEGEND

	Guest Room
	Balcony
	Concierge Lounge
	Residential
	Conference
	Meeting
	Fitness
	Prefunction
	Public Circulation
	Restroom
	F&B
	F&B Kitchen
	Hotel Offices
	B.O.H. Circulation
	B.O.H.
	Mechanical
	Parking



LEVEL 33

PUBLIC JAZZ / SUPPER CLUB



PROGRAM LEGEND

	Guest Room
	Balcony
	Concierge Lounge
	Residential
	Conference
	Meeting
	Fitness
	Prefunction
	Public Circulation
	Restroom
	F&B
	F&B Kitchen
	Hotel Offices
	B.O.H. Circulation
	B.O.H.
	Mechanical
	Parking

W HOTEL AREA ANALYSIS

W-HOTEL NEW ORLEANS

25 March, 2013



1. GUESTROOMS				
GUESTROOMS (272 total bays)				
Type	Bays	Keys	SF Per Key	Total GSF
King (1 bay)	160	160	438	70,080
Queen/Queen (1 bay)	62	62	438	27,156
Spa Suite (2 bays)	16	8	886	7,088
Junior Suite (2 bays)	24	12	862	10,344
W Suite (3 bays)	6	2	1,290	2,580
WOW Suite (4 bays)	4	1	1,928	1,928
TOTAL GUESTROOMS		272	245	119,176
Gross Square feet per Bay				438
GUESTROOM SUPPORT			SF each	
Guestroom Levels	8			
Guestroom Circulation / Elev Lobbies	4 Elevators		4,700	37,600
Storage / Housekeeping / MEP / Stairs			2,230	17,840
Spa Level	1			
Guestroom Circulation / Elev Lobbies			4,927	4,927
Storage / Housekeeping / MEP / Stairs			2,230	2,230
Total Guestroom Support			6,930	55,440
Net Square foot per Bay				204
TOTAL GUESTROOM AREA				174,616
TOTAL SQUARE FOOT PER BAY				642
2. PUBLIC AREAS				
Living Room				
Entry Area			2,037 SF	
Living Room			0 SF	
Living Room Support				
Welcome Area (pods & kiosks)			0 SF	
Whatever/ Whenever - Concierge			0 SF	
W Store			0 SF	
Restrooms			526 SF	
Powder Room			0 SF	
Fire Command			0 SF	
TOTAL PUBLIC AREAS				2,563 SF
3. RESIDENTIAL				
Residential Units: floors 13 -19	7 floors	SF	Gross SF	
Residential Units		14,909 SF	104,363 SF	
Circulation / Corridor		3,456 SF	24,192 SF	
MEP / Storage / Trash		727 SF	5,089 SF	
Residential Units: floors 20 - 29	9 floors	SF	Gross SF	
Residential Units		14,909 SF	134,181 SF	
Circulation / Corridor		3,381 SF	30,429 SF	
MEP / Storage / Trash		1,387 SF	12,483 SF	
Residential Units: floor 30	1 floor	SF	Gross SF	
Residential Units		17,279 SF	17,279 SF	
Circulation / Corridor		1,688 SF	1,688 SF	
MEP / Storage / Trash		957 SF	957 SF	
TOTAL RESIDENTIAL UNITS				330,661 SF
Residential Amenities				Gross SF
Residential Lobby			1,383 SF	
Residential Service Corridor			1,310 SF	

W HOTEL AREA ANALYSIS

Leasing Office (Level 31)		914 SF
Sky Lounge (Level 31)		1,297 SF
Fitness (Level 31)		583 SF
Outdoor Terrace (Level 31)		1,832 SF
Support & Corridor (Level 31)		1,662 SF
Outdoor Pool Deck (Level 31)		2,519 SF
TOTAL RESIDENTIAL AMENITIES		6,013 SF
4. FOOD AND BEVERAGE OUTLETS		
		Gross SF
3-Meal Restaurant and Bar		3,449 SF
Lobby Bar and Living Room		2,000 SF
3rd Party 'Supper Club' (Level 33)		7,392 SF
TOTAL FOOD AND BEVERAGE		12,841 SF
5. FUNCTION SPACE		
	Quantity	SF/each
Grand Ballroom	1	8,800
Jr. Ballroom	1	2,635
Banquet Room "A"	1	1,915
Banquet Room "B"	1	1,250
Meeting Room "A"	2	600
Meeting Room "B"	2	450
Restrooms		1,433
Prefunction / Circulation		9,847
Exterior Breakout Terrace (existing)		-
BOH Support		7,212
TOTAL FUNCTION		35,192 SF
6. RECREATION		
		Gross SF
WET Outdoor Pool Deck (including Events Area)		16,423 SF
SWEAT Fitness Center		1,586 SF
Lockers		1,526 SF
Kids Club		0 SF
Bliss Spa		3,774 SF
TOTAL RECREATION		23,309 SF
7. ADMINISTRATION		
		Gross SF
Administrative Offices		
Front Desk		891 SF
Front Desk Supervisor		0 SF
Service		0 SF
Service Manager		0 SF
Front Desk Storage		0 SF
Runner Station		0 SF
Computer Room		0 SF
Safe Deposit Room & Viewing Room		0 SF
Executive Offices		
* Reception Area		0 SF
*Gallery (Coffee/Tea)		0 SF
*File/Copy/Storage		0 SF
*Coat Closet		0 SF
*Conference Room		0 SF
*General Manager		0 SF
*Director of Operations		0 SF
*Administrative Assistant		0 SF
*Sales Manager		0 SF
*Sales Staff		0 SF
*Catering Manager		0 SF
*Director of Events		0 SF
*Events Manager		0 SF
Accounting		
*Controller		0 SF

DESCRIPTION OF PROPOSED REDEVELOPMENT

W HOTEL AREA ANALYSIS

*Accounts Payable	0 SF
*Accounts Receivable	0 SF
*Administrative Assistant	0 SF
*Archives	0 SF
*Record Storage	0 SF
*Cashier	0 SF
Back of House Offices (Level 02)	4,742 SF
TOTAL ADMINISTRATION OFFICES	5,633 SF
8. FOOD PRODUCTION AREAS	
	Gross SF
Kitchen	
Main Kitchen	3,377 SF
Dry Food Storage	Included In Main Kitchen 0 SF
Coolers & Freezers	Included In Main Kitchen 0 SF
Dish & Pan Wash Area	Included In Main Kitchen 0 SF
Chef's Office	Included In Main Kitchen 0 SF
Room Service Office	Included In Main Kitchen 0 SF
TOTAL FOOD PRODUCTION AREA	3,377 SF
9. RECEIVING AND STORAGE	
	Gross SF
Receiving	
Loading Dock	3,135 SF
Receiving Area	0 SF
Purchasing and Receiving Office	0 SF
Recycling / Can Wash / Compactor	0 SF
Total Receiving	3,135 SF
Storage	
Bulk Storage	0 SF
Residential (owner) Storage	0 SF
China, Glass, Silver	0 SF
Accounting Records (long-term)	0 SF
Landscape Storage	0 SF
Total Storage	0 SF
TOTAL RECEIVING AND STORAGE	3,135 SF
10. EMPLOYEE AREAS	
	Gross SF
Employee Facilities	4,190 SF
TOTAL EMPLOYEE AREA (Level 02)	4,190 SF
11. WASH (Laundry) AND STYLE (Housekeeping)	
	Gross SF
WASH (outsourced laundry service)	
WASH - Laundry	0 SF
Soiled Linen	0 SF
Laundry Manager / Storage	0 SF
STYLE	
Director	0 SF
Work Area	0 SF
Clean Linen Storage	0 SF
Wardrobe - Uniform Issue	0 SF
Amenities Storage	0 SF
Lost & Found	0 SF
Housemen / Night Cleaners	0 SF
TOTAL WASH and STYLE	0 SF
12. MAINTENANCE OFFICE AND SHOPS	
	Gross SF
Engineering Director	0 SF

W HOTEL AREA ANALYSIS

Work Control Center	0 SF
Maintenance Work Area	0 SF
Carpentry Shop	0 SF
Plumbing / Electrical Shop	0 SF
Parts Storage	0 SF
TOTAL MAINTENANCE OFFICE AND SHOPS	0 SF
13. MECHANICAL / ELECTRICAL EQUIPMENT	
	Gross SF
Total Gross Allowance, MEP Equipment Rooms (3% of total gross hotel area)	0 SF
+/- 56 self-park spaces provided at proposed Parking Garage structure (new construction)	

E. EMPLOYMENT PROJECTIONS

Based upon the preliminary jobs report below completed by Evans, Carroll and Associates for the WTC redevelopment project and other estimates, the total projected employment for our proposed WTC redevelopment includes:

- **Pre-Construction and Construction:** Based on our preliminary jobs report below, we believe that a total of 2,222 new jobs will be created over the two year construction timeframe. This estimate includes 1,965 new jobs from hard construction, 160 new jobs from architectural, engineering, and related services and 97 new jobs from purchases of FF&E and related items.
- **Full-time and Part-time jobs during Operations:** Based on the preliminary jobs report below, we anticipate 226 new direct jobs from W hotel operations, 61 from W restaurant operations, and 75 jobs from the 33rd floor jazz lounge/dinner only venue and residential operations. In addition there will be approximately 25 new valet parking jobs created for both hotel and residential operations, and approximately 50 new jobs for the separately branded W pool/rooftop venue. In total, approximately 437 direct permanent and part-time jobs are expected for the WTC operations alone.
- **Annual Payroll Estimates:** In addition to the major new, direct payroll generated from our \$190 million redevelopment project during construction, we currently project total annual, long-term operating payroll of approximately \$9 million for the WTC project elements, including:
 - » W Hotel payroll including F&B = \$7.5 million per year
 - » WTC residential operation payroll = \$500,000 per year
 - » 33rd floor jazz lounge/dinner-only venue payroll = \$1 million per year

Finally, please note these estimates do not include the major new, additional direct and indirect job creation that would also result from the proposed master site plan construction and long-term operations including the new SkyWheel, the comprehensive re-design and physical improvements to all surrounding civic spaces described herein, and the other new resulting operations at the civic spaces including the new iconic transit hub, the new food truck staging area, the new potential vendors, etc. It also does not include the major new construction payroll, and long-term annual operating payroll generated by the new master site plan elements. For example, there would be approximately \$1.5 million in new, additional annual payroll from the Tri-Centennial SkyWheel alone.

Evans, Carroll & Associates, Inc.
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Boca Raton, FL 33434
561-470-9035
mevans@evanscarrollecon.com

April 4, 2013

This report contains a preliminary economic impact analysis of the redevelopment of the World Trade Center building in New Orleans, LA. The building will include 245 keys under the **W** hotel brand, 280 non-branded residential units, with all amenities and services to be completely separated. There will also be a spa, and a jazz/dinner venue on the 33rd floor with 7,392 square feet. There will be a 3-meal restaurant in the lobby that will be run by Starwood with 3,449 square feet.

The calculations in this report are based on the assumptions and conventions stated below. This report has been prepared for Gatehouse Capital (the client) by Evans, Carroll & Associates, Inc (ECA).

1. All figures are based on estimates of construction cost, pro forma income estimates, and square footage estimates of the hotel and ancillary facilities provided by the client.
2. The economic impact calculations are based on the RIMS II input/output model for Orleans, Jefferson, St. Bernard, and St. Tammany parishes in Louisiana. These input/output multipliers are based on 2007 data, so in general, the expenditure and revenue estimates must be deflated to 2007 data. However, because construction costs are now lower than they were in 2007, those figures do not have to be deflated.
3. The hotel hard construction cost budget is \$108.00 million. Architectural, engineering and related fees (A&E) are \$10.32 million, and purchases of FF&E and OS&E, including IT equipment, are \$14.52 million. These figures do not have to be deflated because construction costs now are lower than they were in 2007, the year for which the input/output data are based.
4. The developer has stated that the project will take more than two years to renovate; hence direct as well as indirect and induced jobs may be counted. The RIMS II final demand multipliers for these components of construction, assuming a time span of more than 2 years, are 18.199 for nonresidential construction and about 15.501 for A&E fees. For purchases of FF&E, only indirect and induced jobs can be counted, so on that basis the multiplier is 6.664 for the wholesale margins for FF&E and OS&E purchases. USCIS now requires that the A&E expenses be modeled using NAICS 5413, and the FF&E expenses be modeled using NAICS 42, which measures the wholesale trade margins. .

EVANS, CARROLL & ASSOCIATES, INC. JOBS REPORT

5. On this basis, taking the dollar amounts from (3), and multiplying by the indicated multipliers, shows a total of 1,965 new jobs from hard construction costs, 160 new jobs from architectural, engineering, and related services, and 97 new jobs from purchases of FF&E and related items, for a total of 2,222 new jobs from these activities.

6. The pro forma income estimates for the hotel in the first year of operation indicated there will be 245 rooms with an ADR of \$222 and an occupancy rate of 63%, which would generate \$12.54 million in revenues. Other operated departments would add \$1.41 million in revenue. These figures are in 2016 dollars, so they must be deflated to 2007 dollars; the deflator for hotel revenue is 1.13. Hence hotel revenues, including other operated departments, would be \$12.35 million in 2007 dollars times the multiplier of 18.297, for a total of 226 jobs.

7. The lobby restaurant, with 3,449 square feet, is expected to have revenues of \$2.63 million, deflated by 1.267. That figure is multiplied by the food and beverage multiplier of 29.283, which would create 61 more jobs. Finally, the jazz/diner space would be rented out at \$50 per square foot times 7,392 square feet, deflated by 1.12. That would be \$330,000 times the rental income multiplier of 12.899, or 4 additional jobs.

8. The project will also contain 280 residential units with a total of 270,730 square feet. The proposed rent is \$2 psf per month. With ancillary income of \$268,800, less a 7% vacancy rate, the annual figure would be \$6,292,745, which should then be deflated. The CPI for primary owner rent equivalence for Class B Southern cities was 1.5% per year over the past 5 years, or 14.3% for a 9-year period. Hence the deflated figure is \$5.506 million times the rental income multiplier of 12.899, which generates 71 more jobs.

8. Based on all these activities, there would be a total of 2,222 total jobs generated from the construction-related activities, 226 from hotel operations, 61 from restaurant operations, and 75 jobs from the jazz/diner and residential rental income, **for a total of 2,584 permanent new jobs.**

This report has been prepared and submitted by

Michael K. Evans
Chairman, Evans, Carroll & Associates, Inc.
April 4, 2013

F. PLAN FOR AT LEAST 35% DBE PARTICIPATION

Gatehouse Capital, Starwood Hotels and Resorts Worldwide, Provident Realty Advisors, DAG Development, RTKL Architects, Mathes Brierre Architects, and White Construction Company ("W Hotel/WTC Redevelopment Team") commit use its best efforts to promote full and equal opportunity for any Disadvantaged Business Enterprise (DBE) desiring to pursue contracting opportunities with W Hotel/WTC Redevelopment Team and its subcontractors.

This plan has been voluntarily developed within the framework set forth in the "RFP No. 4051-01414" as developed by the City of New Orleans.

The intent of this summary is to outline and clarify the W Hotel/WTC Redevelopment Team's plan to utilization of the DBE's hiring and contracting goals. This document is in no way intended to minimize, replace or conflict with the responsibilities, expectations and requirements conveyed in the policies, procedures and regulations established by the City of New Orleans or the State of Louisiana.

GOALS

W Hotel/WTC Redevelopment Team plans to solicit, accept and evaluate in good faith all bids and proposals received from DBE's. Thus, W Hotel/WTC Redevelopment Team plans to make all reasonable and necessary efforts to achieve the required Participation Goals as set forth in RFP No. 4051-01414.

The City of New Orleans has established a DBE contract goal for the project of 35%. W Hotel/WTC Redevelopment Team plans, to the greatest extent feasible, to make all reasonable and necessary efforts to exceed the stated goals.

COMPLIANCE

All reporting by W Hotel/WTC Redevelopment Team is anticipated to be made as required. Reporting is anticipated to be on all expenditures and other efforts made to achieve

compliance with this document, RFP No. 4051-01414's DBE Plan. Such reports are anticipated to include, but need not be limited to, the name and business address of each Disadvantaged Business Enterprise involved in a subcontract; a description of the work performed and/or the product or service supplied by each such Disadvantaged Business Enterprises; the date and amount of each expenditure, and such other information as may assist the City of New Orleans in determining if W Hotel/WTC Redevelopment Team is in compliance.

IMPLEMENTATION PLAN

The efforts of W Hotel/WTC Redevelopment Team and its subcontractors to achieve the referenced DBE participation goals can be illustrated by the following list of actions and activities which are considered to be reasonable and necessary, but are not intended to be exclusive.

W Hotel/WTC Redevelopment Team plans to use best efforts to:

- Employ all reasonable and necessary efforts to achieve DBE Program contracting, employment, and training goals;
- Notify potential contractors of the DBE Program reporting and compliance requirements established for this project;
- Incorporate the appropriate DBE Program language in all solicitations and contracts, while setting guidelines and assisting subcontractors in meeting or exceeding DBE Program goals and expectations for the project;
- Utilize the City of New Orleans' list of certified State and Local Disadvantaged Business Enterprises firms and/or the Louisiana Department of Transportation's list of certified Louisiana Department of Transportation Unified Certification Program DBE firms to identify potential DBE firms.
- Select specific portions of the work to be performed by DBE firms in order to maximum practicable opportunity for those firms to participate in the contract consistent with its efficient performance.

- Refrain from entering into any contract with a contractor who has been found to be in violation of the regulations in 24 CFR Part 135, or who will not commit to achieving or exceeding the DBE goals of the project;
- Comply with the Americans with Disabilities Act (ADA) to not discriminate against any individual having a disability of any kind, or any company or organization having an officer employee with any such disability when considering the award of a joint venture contract, subcontract or purchase order, or when evaluating employment applications or changes;
- Submit full documentary evidence that it has made all reasonable and necessary efforts to meet the DBE Program contracting, employment and training goals;
- Attend and participate in pre-bid, pre-employment, pre-contract and/or pre-construction meetings scheduled by or approved by the City of New Orleans to describe employment and subcontracting opportunities as well as policies, procedures and expectations for the benefit of DBE Program businesses;
- Provide evidence of efforts made to negotiate with DBE Program businesses, including: the names, the addresses and telephone numbers of specific businesses who were contacted, and a description of the information provided to the businesses regarding the plans and specifications for work to be performed;
- Ensure that any DBE selected as a subcontractor must be utilized to perform work or supply products and not to act as a mere conduit. DBE subcontractors will perform a commercially useful function in the work of the contract;
- Widely distribute information on employment opportunities to institutions of higher learning, skills training centers, religious organizations, community centers and organizations, in addition to making follow-up contacts with each organization; and
- As stated several times in this document, plans to use best efforts to do everything reasonably possible to meet and exceed the project's contract goals.

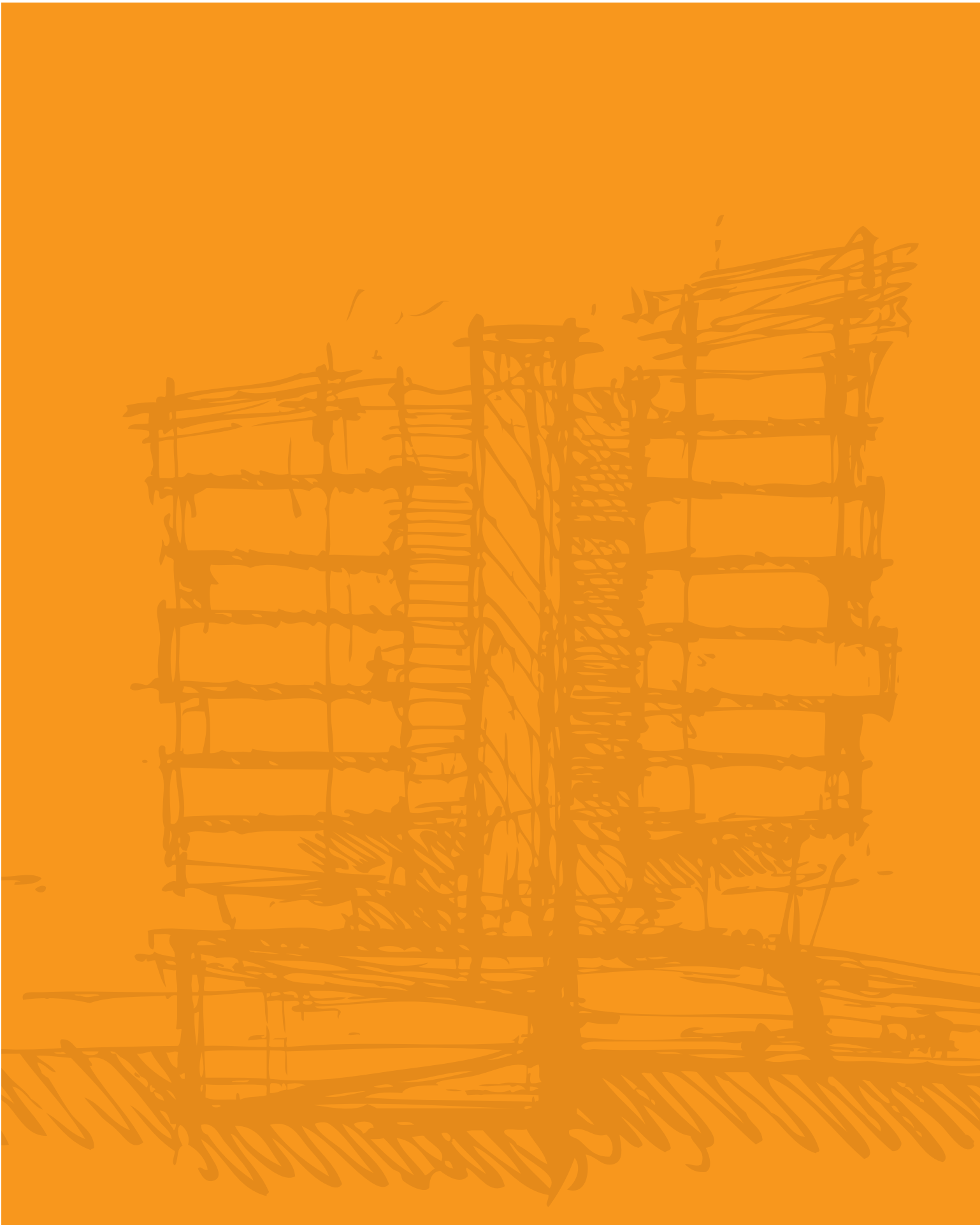
W Hotel/WTC Redevelopment Team recognizes the leadership role that contractors and subcontractors play in

bringing economic opportunities to smaller DBE businesses. The majority of the newly created jobs in the city are generated through the small and disadvantaged business community. It is these jobs that contribute to family stability, decreased crime and substance abuse and enable individuals to achieve self-sufficiency and entrepreneurship which in turn leads to more jobs. The W Hotel/WTC Redevelopment Team is by action, corporate policy, and this DBE Plan planning to use best efforts to ensure that the jobs and economic opportunities generated are directed to DBE firms as per the contract goals of RFP No. 4051-01414.

Finally, please note that all members of our development team are highly experienced with DBE participation requirements from previous projects in major Cities throughout the nation. Our team has a strong track-record with successful DBE performance, and additional information is available upon request.

G. PLAN FOR ORLEANS PARISH/LOCAL BUSINESS PARTICIPATION ON THE PROJECT

The W Hotel/WTC Redevelopment Team also commits to use its best efforts to promote Orleans Parish and local business participation on the project, to the fullest extent possible. We anticipate that the vast majority of our \$190 million WTC redevelopment plan and long-term operation will rely upon Orleans Parish and local business participation in order to successfully execute and operate the project. In particular, we plan to include a large percentage of local subcontractors, suppliers, and professionals during the construction phase, and a large percentage of local employees, suppliers, services, and professionals during the long-term operation of the project.



2



QUALIFICATIONS & PERFORMANCE HISTORY



ORGANIZATIONAL CHART



Gatehouse Capital has assembled a comprehensive team of industry leaders in hotel operations, design, and financing that will play an important role in the overall delivery of the project for the New Orleans Building Corporation (NOBC). As master developer, Gatehouse will have overall control of all aspects of the development, but will look to our team members to provide focused expertise in their area of specialty. This section of the qualifications document provides detailed material on these key firms, including:

- Gatehouse Capital (Master Developer)
- Provident Realty Advisors, Inc. (Co-Developer)
- DAG Development (Local Co-Developer)
- RTKL Associates, Inc. (Architect)
- Mathes Brierre Architects (Associate Architect)
- Starwood Hotels & Resorts Worldwide (Hotel Operating Partner)
- W Hotels (Hotel Brand)
- White Construction (Preconstruction/General Contractor)

With the exception of the hotel brand, all of the groups listed are utilizing resources of their local offices.

The project team also includes additional companies to support the construction and operational side which are highlighted in Section 1A and will also be identified later in the development process.

QUALIFICATIONS & PERFORMANCE HISTORY

A. OUR TEAM + B. RECENT EXPERIENCE WITH DEVELOPMENT PROJECTS OF A SIMILAR SIZE, SCOPE & BUDGET.

Gatehouse Capital (Master Developer)

Gatehouse is wholly-owned by its founder, Marty Collins. The company was created in 1997 and is currently engaged in the development/redevelopment of hotels and mixed-use development involving luxury and upscale hotels in high barrier, urban/technology/resort markets. Gatehouse develops these properties with institutional partners and is intentionally positioned as a “lower volume, higher margin” firm in which flexibility, speed and its critical core competencies are emphasized. Gatehouse uses a “best practices” philosophy from GE, meaning that all key participants are the best in their respective categories. Gatehouse is strongly driven to combine superior economic returns with high design properties that are true place-makers. Since founding Gatehouse Capital, Mr. Collins has led the development of more than \$1 billion in new hotel projects in California, Texas and Florida.

Gatehouse has developed W, Aloft and Luxury Collection brands. Further, Gatehouse has developed other brands including Hyatt Regency Resorts. Additional information on Gatehouse and its related projects can be found at www.gatehousecapital.com.

Financials

Gatehouse Capital Corporation is a private Texas registered company which has earlier made sub-chapter S election under US tax code with Federal Tax ID number 75-2691739.

The Developer will be a special purpose entity that is a to be formed entity of Gatehouse Capital and therefore no financials are available nor does Gatehouse have audited financials to provide.

Gatehouse and its affiliates are in full compliance with all Federal, State and local regulations including those of tax related organizations and no outstanding taxes are either due or owing.

Key Team Members

Marty Collins – President/CEO

Mr. Collins founded the firm in 1997. Mr. Collins is responsible for strategic direction and managing partner and capital relations. Prior to founding Gatehouse, Marty was a partner in a Trammel Crow family affiliate, was COO of Hampstead Group, and COO of Americana Hotels and other Bass family affiliated investments. Mr. Collins has both an investment and development background; more fully detailed on the following pages. He holds graduate degrees in each of Business and Liberal Arts with an undergraduate degree in Liberal Arts.

Natalia Malek – Vice President Development

Ms. Malek joined Gatehouse in July 2012. Her responsibilities include project management support, development functions in feasibility and valuation as well as overseeing hotel brand and third-party operator development efforts. Previously, Natalia worked for Quorum Hotels & Resorts as a Senior Real Estate Analyst and has been in the real estate industry for 8 years. Natalia holds an undergraduate degree in Business Administration and a graduate degree in Accounting from the University of Texas - Austin. She is also a Certified Public Accountant.

Gary Harnist – Senior Vice President

Mr. Harnist joined Gatehouse in September 2007. He is responsible for the overall management of construction and design professionals including selection, contracting, oversight of all outside professionals, project cost analyses and managing all departmental staff. Mr. Harnist has held several executive management positions with Remington Hotels and General Growth Properties and has owned his own Construction Management consulting firm. He has been a senior executive in several mixed-use developments in Boston, New York City, Salt Lake City and on the island of Antigua in the Caribbean, with each project’s value ranging from \$500 million to \$1.5 billion. Mr. Harnist holds an undergraduate degree in Architecture.

Project qualifications

Gatehouse has developed a competence in developing hospitality and hospitality centered mixed-use and transit-oriented projects throughout the United States. Each of these properties of the firm have enjoyed tremendous “best in class” recognition from governmental agencies, professional associations, industry publications, general media and many nonprofit organizations in the design and sustainability. To date, both hotels developed by Gatehouse were delivered on-time and within budget and both properties currently lead the W Brand in employee satisfaction, guest satisfaction and market penetration.

Highlights

Since founding Gatehouse Capital Mr. Collins led the development of more than \$1 billion in new hotel projects. Highlights include the following:

- \$382 million W Hollywood Hotel and Residences – development of the largest privately financed, mixed-use development in the State of California;
- \$220 million W Dallas Hotel and Residences – initial urban development in a major brownfield revitalization effort;
- \$120 million Hyatt Regency Mission Bay Resort and Marina – extensive redevelopment of hotel and marina in San Diego, California;
- \$90 million Joule Hotel in Dallas – extensive redevelopment of historic Luxury Collection property in downtown Dallas;
- \$68 million W San Diego Hotel – development of San Diego’s first boutique hotel of 268 rooms;
- \$30 million W Silicon Valley Hotel – development of hotel located on Sun Microsystems’ campus Java Adobe in bay area;
- \$20 million Aloft Hotel in Jacksonville Florida – development of a 137 key, select serve hotel serving Jacksonville’s busiest and largest suburban office park.

GATEHOUSE CAPITAL RELEVANT EXPERIENCE

W Hollywood Hotel & Residences

[Los Angeles, California]

Located at the iconic intersection of Hollywood Boulevard and Vine Street the development is the largest privately financed, mixed-use development in California. The public-private partnership is a unique element in a new urban design districts like Hollywood. It is the largest sustainable private project in California as Silver LEED.

COSTS/TYPE:

\$382 million New Development

SERVICE:

Master Developer

STATUS:

Completed in 2007 on schedule

OWNER:

Clark Hanrattie, (203) 849-2207
HEI/GC Hollywood & Vine, LLC

EQUITY PARTNER:

HEI Hotels & Resorts; Hicks Holdings

CONTRACTOR:

Webcor Builders, Inc.

ARCHITECT:

HKS, Inc.

RELATED ARCHITECTS & DESIGNERS:

Architropolis (Hotel), Design Studio (Hotel),
Daly Genik (Residences), Fatino Design
(Residence public areas), Sussman Prejza
(Graphics & Signage), Rios Clementi
(Landscaping), Lendrum Fine Arts (Art),
Fishnet (FFE & OSE)

PROGRAM:

Hotel – 305 rooms
Pool – 2 roof-top pools (1 on Hotel, 1 on
Condo Tower)
Meeting Space – 12,000 SF
Condominiums – 143 units

Signature Restaurant operated by IDG –
11,000 SF (indoor & outdoor space)

Spa & Fitness Center operated by Bliss –
10,000 SF

Signature Bar operated by Pure – 10,000 SF
(indoor & outdoor space)

Ground Floor Retail – 10,000 Square Feet
Signage – 20,000 Square Feet

AWARDS:

Los Angeles Business Council Architecture
Awards “Green Building” 2008

Los Angeles Business Journal Commercial
Real Estate Awards “Outstanding Project”
2009

Hotel World Network Hospitality Awards
“Best Local Promotion” 2010

AIA-LA “Building Team of the Year” 2010
Global Green “Millennium Award” 2010

Los Angeles Business Council Architecture
Awards “Best Multi-Family Development”
2010

Los Angeles Business Journal Commercial
Real Estate Awards “Most Creative
Hospitality Developer” 2010

Starwood Hotels and Resorts “New Build
Luxury Hotel of the Year, 2010”

FINALIST:

“Radical Innovation Award” Hotel World
Network “Hospitality and Design” Award

ULI Awards for Excellence - The Americas
D-10 Sustainable Design Award

American Lodging Investment Summit 2010
“Development of the Year”

Starwood Global Development Conference
2010 “Sustainable Project of the Year” and
“Best Development of the Year” (Pending)



W Hotel & Residences Victory

[Dallas, Texas]

Completed in June, 2006, the \$220 million development is located in 72-acre master-planned urban district The “Victory Park,” anchored by the American Airlines Center.

The 252 lavishly appointed guestrooms and 146 condominiums were, initial urban mix-use development in a major Brownfield revitalization effort; a \$2 billion development in which W Dallas led this catalytic urban center. This was Starwood’s first project with branded residences which led the market for years. The public-private development was the anchor project for the overall Victory development and is an icon on the Dallas cityscape. It was named “Best Mixed-use Project” by Hospitality Design magazine.

COSTS/TYPE:
\$220 million New Development

SERVICE:
Master Developer

STATUS:
Completed in 2006 on schedule

OWNER:
Tom Hicks, (214) 615-2222, Hicks Holdings LLC

EQUITY PARTNER:
Hillwood Development Company, LLC; Hicks Holdings, LP; Lowthar (UST XVI Corp)

CONTRACTOR:
McCarthy Construction

ARCHITECT:
HKS, Inc.

INTERIOR DESIGNER:
Shopworks (Hotel); Morrison Seifert Murphy & David Cadwallader Design (Residences); Fishnet (FFE and OSE)

PROGRAM:
Hotel – 252 rooms
Meeting Space – 10,000 SF
Pool – Outdoor
Condominiums – 146 units
Spa & Fitness Center – 5,000 SF
Ground Floor Retail – 19,382 SF

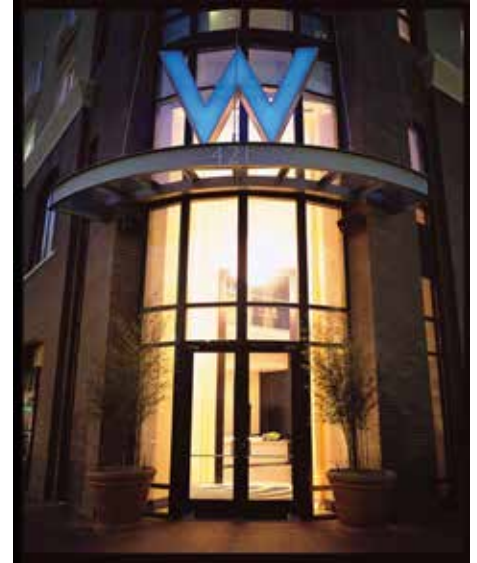


W Hotel San Diego

San Diego, California

Completed in December 2002, the \$68 million 19-story urban resort development was San Diego's first lifestyle hotel and led the market in both amenities and economic performance.

The hotel was a strong performer with a number one guest satisfaction rating from 2003 to 2005 for all W Hotels. It was voted as one of the World's 100 Sexiest Hotels in 2006 and featured and featured on numerous live and hard media on opening. The project features a rooftop lounge, cabanas, heated sand, fire pits and a full bar for afternoon and evening use, Away spa and a WET outdoor pool. W San Diego has been a strong performer with a #1 guest satisfaction rating from 2003 to 2005 for all W Hotels. It was sold to Sunstone for 50% more than cost two years after completion at 20 times earnings.



COSTS/TYPE:

\$68 million New Development

SERVICE:

Master Developer

STATUS:

Completed in 2002 on schedule

OWNER:

Jena Thorton, (206) 623-4739
Kennedy Associates, Investment Advisors

EQUITY:

Multi Employer Development Partners

CONTRACTOR:

Webcor Builders, Inc.

ARCHITECT:

Jensen/Fey Architects

INTERIOR DESIGNER:

Shopworks

PROGRAM:

Hotel – 261 rooms
Meeting Space – 2,000 SF
Pool – Outdoor
Retail – 10,000 SF
Beach Bar – 3,000 SF
Spa & Fitness Center – 1,500 SF



Aloft Tapestry

[Jacksonville, Florida]

Complete on January 2011, the development of a 137 key, select service hotel serving Jacksonville's busiest and largest suburban office park was the first Aloft to be LEED Gold certified.

During this downturn in the economy, Gatehouse worked diligently to complete the Aloft Tapestry ahead of schedule and under budget, and finished to Gold LEED standards. According to Starwood staff, this project was delivered quicker and for less cost at highest standard of any preceding 40 Aloft's developed.



COSTS/TYPE:

\$20 million New Development

SERVICE:

Master Developer

STATUS:

Completed in 2011 on schedule

OWNER/ EQUITY PARTNER:

Brent Karasiuk, (314) 725-9000
Paige Sports Entertainment

CONTRACTOR:

Cox Schepp Construction

ARCHITECT:

JSA

PROGRAM:

Hotel – 137 guest rooms
Meeting Space – 3,600 SF
Pool – Outdoor (Total Infinite Pool)
Outdoor meeting space – 2,000 SF
Pre-function space – 1,000 SF

Hyatt Regency Mission Bay

San Diego, California

The \$120 million transformation was an extensive redevelopment of resort hotel and marina in San Diego, California. The hotel's transformation included 430 newly appointed guestrooms and the reinvigoration of the hotel's guest facilities along with a 400 slip marina.

The new Hyatt includes: Red Marlin, a four-star restaurant serving three meals a day with seating indoors and out; Swim, a chic lounge with an 800 gallon aquarium and 360 degree views of Mission Bay; and Blue Marble Spa which offers guests full service spa treatments in eleven treatment rooms. The property also features a new waterfront StayFit gym, a water playground with three pools and waterslides; and more than 30,000 square feet of indoor and outdoor function space.



COSTS/TYPE: \$120 million Redevelopment

SERVICE: Master Developer

STATUS: Completed in 2007 on schedule

OWNER:

Jena Thorton, (206) 623-4739
Kennedy Associates, Investment Advisors

EQUITY PARTNER: CalPERS

CONTRACTOR: Webcor Builders, Inc.

ARCHITECT: Jensen/Fey Architecture

INTERIOR DESIGNER:

Nickey/Kehoe

PROGRAM:

Hotel – 428 rooms
Meeting Space
3 pools & water slide
Fitness Center
Signature Restaurant
400 slip Marina
Spa & beach bar with aquariums

Provident Realty Advisors, Inc. (Co-Developer)

Provident Realty Advisors (“Provident”) is a privately-held, fully integrated, opportunistic owner, developer, and manager of a broad range of asset types including multi-family housing, retail, office, industrial, land, self-storage, and single family communities. The company was founded in 1991 by Leon J. Backes to capitalize on attractive real estate investment fundamentals identified by his expert team across a broad range of product types. Since inception, Provident has developed a national reputation as an owner, developer, and manager of every asset type across the country, specializing in creative, value-add solutions to complex development projects such as the WTC.

In uncertain economic times, it is important that the development partner for any commercial real estate asset provide one thing: certainty of execution. With over \$1 billion in transactions and over 200 years of combined experience, Provident has consistently proven to be a real estate developer with the expertise and resources to execute. As experienced developers of a broad range of product types, Provident is able to size up a deal quickly and provide an aggressive due diligence process and efficient execution. With both in-house and institutional capital, and positive long term relationships with lenders nationwide, Provident’s equity and debt sources are deep and it is capable of acting quickly.

Provident’s role in the WTC project will include collaborating with Gatehouse and the overall team on the luxury multi-family residential component of the mixed-use redevelopment project. A selection of Provident’s recently completed and currently in process multi-family developments are listed below:

- Preston Hollow Village, Dallas, Texas – This multi-phased project, located in one of the most affluent neighborhoods in Dallas, the 42 acre site will consist of approximately 130,000 square feet of retail, 55,000 square

feet of boutique office space, 1,000 apartments, and 140 townhomes. Construction of the initial phases of retail and multi-family began in early 2013.

- Midtown, Dallas, Texas – This project consists of 83 acres of land inside the LBJ Freeway Loop and is broken down into six different parcels. The current plans are to construct approximately 3,000 apartment units over a 15 year period. Some of the development sites may be sold to third-party multi-family developers. Construction of the initial phase of apartments is planned for mid-2013.
- Texaco Building, Houston, Texas – Plans are being drawn to convert the original headquarters for Texaco Oil Company in the middle of Downtown Houston into 320 luxury apartment units. The \$75,000,000 project will be funded in part by Federal Historic Tax Credits of \$12,350,000 and property tax abatements of \$12,000,000. Construction is scheduled to commence in April 2013.
- Plano Gateway, Plano, Texas – Construction began in late 2011 on a 254 unit garden style apartment community with a total budget of \$26,000,000. This is a four phase project with phases of approximately 250 units scheduled for construction every two years. Construction of the next phase will commence in 2nd quarter of 2013.
- Parkway Crossing, Farmers Branch, Texas – This two phased project will feature 648 apartment units, built in a 5-story wrap style parking configuration. Construction of an initial phase of 365 units, with a total budget of \$44,800,000 will commence in mid-2013.
- Las Colinas Lakepointe, Irving, Texas – Construction began in late 2011 on a 256 unit garden style apartment community with a total budget of \$27,300,000.
- Mercer Crossing, Farmers Branch, Texas - This two phased project will feature 503 apartment units, built in a 3-story tuck under parking configuration. Construction of an initial phase of 268 units, with a total budget of \$27,000,000 will commence in early 2013.
- Ogilvie, Shreveport, Louisiana – Construction was completed in October of 2012 for the conversion of the historic Ogilvie Hardware building into 91 loft style

apartments. A portion of this project was funded by the use of Historic Tax Credits.

- 141 Lofts, Monroe, Louisiana - Construction began in December 2012 on the rehabilitation of a historic office building into 67 loft style apartments. A portion of this project is being funded by the use of Historic Tax Credits.
- Five Apartment Communities in Louisiana – Four 72 unit projects in New Orleans and one 72 unit project located in Lafayette were completed in December of 2011. Since completion, all of the properties have been successfully leased up and stabilized.

Key Team Members

Provident has a staff of over 30 employees at their corporate headquarters in Dallas, but the key Principals to be involved with the World Trade Center redevelopment project include:

Leon Backes – Founder and President.

Leon J. Backes graduated from the University of Missouri in 1979 with a degree in Business Administration. Upon graduating, Leon entered the Coldwell Banker training program in Houston, Texas. Coldwell Banker transferred him to Dallas in 1980, Leon left Coldwell Banker in 1981 with the firm's two top producers to form Leon Brothers and Associates Commercial Real Estate, specializing in the sale and leasing of industrial real estate. In 1983 Mr. Backes formed Backes & Platt Real Estate with partner Cary Platt. When Mr. Platt left the firm in 1991, Mr. Backes formed Provident Realty Advisors, Inc.. Provident's initial niche' was to take advantage of the investment opportunities in land and other distressed assets following the Savings and Loan crisis. During that timeframe Mr. Backes was able to acquire a land portfolio of over 85 land assets at the trough of the market. When those opportunities ended, Provident, in addition to land, broadened its interests and eventually became a major real estate investment company that focused on

opportunistic real estate projects which offered the potential for risk adjusted above market returns. Following this model, Leon has formed and led partnerships to invest in or develop real estate with a market value in excess of \$3 billion. Today, Provident is involved in land acquisition and development, and the acquisition, development, leasing and management and sales of apartment, retail, office and self-storage projects. Provident has developed several thousand unit of apartments, millions of square feet of retail developments, 1.5 million square feet of office, over 22 self-storage projects, several thousand residential lots and currently manages a land portfolio exceeding 8,000 acres (inclusive of active development projects). Over the years, Provident has enjoyed successful relationships with many major investors including; Angelo Gordon Real Estate, Institutional Housing Partners (CalPERS), Farallon Capital Management, Centerline Capital Group, Hudson Housing Capital, The Kroenke Group (Stan Kroenke) and many local and regional firms and individuals. Mr. Backes also has major oil and gas holdings and majority ownerships in an institutional pharmacy business, an electronics supply chain firm and a web based medical recruiting operation. Mr. Backes is the former Chairman of the Board of Directors and current board member of New Horizons Ranch and Center, a non-profit residential treatment center specializing in the care of sexually and physically abused children.

Matt Harris – Development Partner (Multi-family residential)

Matt Harris joined Provident Realty Advisors, Inc. in June 2000. Since 2002, Matt has focused on multi-family development, and has successfully developed approximately 4,000 total units, with 1,290 additional units starting construction in 2013, and over 1,000 other units in the pipeline starting construction in 2014-2016. Prior to Provident, Matt worked for Echelon Residential in Dallas. As development manager, he was involved in supervising all phases of the development process for luxury multi-family developments. Matt's first experience developing multi-family communities began at JPI based in Irving, Texas. At JPI Matt was a development associate and market analyst.

Matt attended Texas A&M University, graduating cum laude in 1994 with an undergraduate degree in Agricultural Economics, and in 1996 with a Master's Degree in Land Economics and Real Estate.

Paul Knowlton – Development Partner.

Mr. Knowlton has worked with Provident since 1992. His role has primarily been in land acquisitions, pre-development and marketing. Mr. Knowlton was involved in site selection, contract negotiations, pre-development, re-zoning, environmental cleanup, and wetlands mitigation of 9 separate parcels of land on which 1,100 new apartment units were built in the New Orleans MSA since 2007. These recent New Orleans area projects include: the 250-unit Marquis Apartments near downtown New Orleans completed in 2009 (recognized as one of the top five architectural projects built in the City in 2009 by New Orleans Magazine); the 250-unit Lakeside Apartments in Lakeshore Estates, Slidell completed in 2009; the 84-unit Northshore Apartments in Lakeshore Estates, Slidell completed in 2009; the 84-unit Pinecrest Apartments in Covington completed in 2009; the 144-unit Palmetto Greens Apartments in Covington completed in 2010; and the 288-unit Apartment project completed in Chalmette in 2011. Mr. Knowlton is a native of Covington, LA and a graduate of the University of Mississippi.

PROVIDENT RELEVANT EXPERIENCE

OGILVIE HARDWARE LOFTS [SHREVEPORT, LOUISIANA]

The 5-story Ogilvie Hardware building in Shreveport, Louisiana, was built in 1926 and operated as a hardware warehouse until 1999 when the building closed and remained vacant and abandoned until 2011, when the property was purchased by Provident Realty Advisors. Provident converted the building into 90 loft-style apartments while preserving the historic building and utilizing federal and state historic tax credits approved through the National Park Service and State Historic Preservation Office. The Ogilvie Hardware Lofts is the first historic mid-rise rehab to achieve LEED Gold certification, and has been a tremendously positive transformation to Downtown Shreveport. The property offers luxury amenities and finishes including granite counter tops, stainless steel kitchen appliances, concrete floors and exposed ducts, energy star rated refrigerator, dishwasher and air conditioning unit, built-in microwave, dark wood cabinets, and a washer and dryer in each unit. Community amenities include a resort-style swimming pool, fitness center, business center, playground, and management offices.



Ogilvie Hardware Lofts

THE MARQUIS [NEW ORLEANS, LOUISIANA]

The Marquis is a five story 250-unit apartment community completed in 2009. It is located in Mid-City New Orleans at Poydras and Broad Street, five blocks from the Superdome with great views of Downtown. This \$60 million development revitalized the neighborhood, required a major Brownfield clean-up of the contaminated site, and involved re-zoning of the property from industrial to multi-family. Featured in New Orleans Magazine, it was named among the top six best in architecture of 2010. There are four stories of apartments on a raised podium deck with parking underneath. It has a 6,000 square foot community clubhouse with management offices, fitness center, business center, and activities room, and also includes a resort-style swimming pool, playground, and professionally landscaped courtyards. Spacious floor plans offer island kitchens, balconies and patios, hardwood vinyl flooring, ceiling fans in living and bedrooms, energy star rated kitchen appliances including refrigerator, dishwasher, oven/stove and microwave. All units also include an energy start rated washer and dryer. The property stays close to 100% occupied and has a waiting list.



DAG Development (Local Developer)

David Garcia formed DAG Development in 2011. Since 2011, DAG Development has focused on the proposed redevelopment of the City-owned 200+ acre former Six Flags/Jazzland site in New Orleans East with Provident into a major new mixed-use retail and entertainment destination project anchored by a new 400,000 square foot Phase 1 upscale outlet mall, following formal selection by the City of New Orleans as RFP winner in Spring 2012. In addition, DAG Development has completed substantial pre-development work on Canal Crossing, in collaboration with Provident, HRI, the City of New Orleans and other private and public stakeholders, for an impactful new mixed-use 300,000 square foot retail center, 1,300-space parking garage, and major multi-family residential project on 2 vacant, full city blocks on Canal Street in downtown New Orleans. Canal Crossing is anticipated to be a catalytic and critical cornerstone of the larger, transformational Public-Private master plan redevelopment of this section of downtown involving a new federal TIFIA loan to the City of New Orleans from the US Department of Transportation (which the new Canal Crossing retail sales taxes will pay back), the \$500 million redevelopment of the Iberville Housing Project, the construction of the new \$2.5 billion medical complex, the extension of the Rampart Streetcar project by the RTA, and a number of other important, complementary components.

Prior to launching DAG Development, David worked with KFK Group in New Orleans as Vice President of Development from 2007 until 2011. While with KFK, David helped develop several major local projects including:

- 1201 Canal Condominiums and Apartments. Adaptive re-use of former historic Krauss Department Store into 233 luxury residential units and 20,000 square feet of street-front retail. \$70 million project completed in December 2008.
- Holiday Inn New Orleans Westbank. Renovation and conversion of blighted 13-story, round tower at the foot of the Mississippi River Bridge into new, contemporary 181-

room Holiday Inn and full-service restaurant. \$13 million project completed in 2009.

- Holiday Inn Metairie New Orleans Airport. Renovation and conversion of distressed 10-story, 205-room 1970s high-rise at intersection of I-10 and Causeway Boulevard into new, contemporary 205-room Holiday Inn and full-service restaurant. \$12 million project completed in 2010.

Prior to moving to New Orleans and joining KFK in 2007, David Garcia was Vice President of Development with a private real estate developer in Los Angeles, CA. In addition, David previously worked as an Investment Banking Analyst and Associate in San Francisco, CA and Menlo Park, CA. David earned his A.B. from Duke University in 1999 and his M.B.A. from the UCLA Anderson School of Management in 2005, where he received the Anderson Fellowship.

In addition, in 2006-2007, David assembled a very strong national and local team to submit an adaptive re-use, mixed-use redevelopment proposal for the previous World Trade Center RFP issued under Mayor Nagin, led by CIM Group, a \$10+ billion leading national real estate development and investment fund based in Los Angeles, and eventually bringing in HRI as a local development partner for our proposal in the finalist stage of the RFP process. As you may know, our strong, proven team with a realistic plan was unfortunately selected as runner-up by Mayor Nagin, but this experience in 2006-2007 is what led David to help assemble another world-class team with an even more exciting, impactful, and comprehensive RFP proposal for the extremely important and long overdue World Trade Center redevelopment again today.

RTKL Associates Inc. (Design Architect)

RTKL is a global architecture, planning and design firm. Part of the ARCADIS global network since 2007, RTKL is committed to enriching lives and designing solutions to the complex issues of our world and our time. RTKL was founded in 1946 as a two-man office in Annapolis, Maryland, and has since grown to be an international practice with some 850 professionals in 10 offices around the globe.

We are organized around core lines of business, which allows us to concentrate expertise within a particular project type (hotels, for example) as well as exchange and share ideas and talents across market segments. We have three broad Practice Groups – Commercial, Healthcare and Workplace – within which are individual sectors. Our Hospitality Sector (which falls under our Commercial Practice Group) includes all key disciplines (from planning through interiors and environmental graphics) within a unified strategic base.

RTKL Dallas Office

When RTKL began to grow beyond our Maryland roots, we established our first regional office in Dallas in 1979. RTKL's Dallas office has grown to be one of the largest full-service architecture offices in the Southwest providing a cornerstone of services and disciplines to a variety of industries and clients from small service organizations to large-scale blue chip companies. Our team, including architects, interior designers, environmental designers, technical and professional staff, delivers award-winning project outcomes to local and regional markets as well as nationally and abroad.

With a history of more than 30 years in Texas, we offer the rare combination of service quality you often find at a smaller focused practice within the professional and technical resources of a large firm. Our practice teams focus on commercial, workplace and healthcare strategies combined with environments branding and special

systems. Our strengths lie not only in our demonstrated expertise in designing and delivering individual projects but also our experience and commitment to developing partnerships and lasting relationships with our clients.

Hospitality Sector

RTKL is one of the leading architecture, planning and design firms in the world. Consistently ranked by Hotel and Motel Management Magazine among the top ten hospitality design experts, we have established an impressive roster of urban and convention center hotels, resorts and all-suite hotel destinations for most of the major national and international flags.

RTKL is uniquely positioned to provide the extraordinary. We offer everything from architecture and engineering to environmental design and branding, backed by staunch integrity, professional savvy and striking creativity. We've shaped a world-renowned practice around the planning and design of places where people want to be. Where they come together to mingle and celebrate. Where the unexpected can be expected. At RTKL, we know how much effort you put into bringing your guests the best conceivable travel experience. It's the same kind of energy we put into making our relationships with clients spark astonishing results for them. Because in both hospitality and design, professional experience counts, but true success draws on the chemistry between people - between you and your guest, and RTKL and our clients.

Key Team Members

Stephen L. Galbreath AIA, ISHC, LEED AP, Vice President

Steve Galbreath is a Vice President in RTKL's Dallas office whose experience has allowed him to lead the design effort on projects such as the largest commercial building under construction today, Cotai Central, the centerpiece of the Cotai Strip in Macau, China, as well as the Jabal Omar Development Project in Makkah, Saudi Arabia. A leader in RTKL's Hospitality/Gaming sector, Steve has been involved in numerous award-winning projects in the nearly two decades he has been with the firm. His experience has focused on the hospitality and gaming components of large-scale, mixed-use developments and resorts that combine retail, entertainment, sport, residential, office, hotel, and other uses into synergistic environments known for their commercial success and lasting sense of place. His leadership and projects have been instrumental in RTKL's international expansion into Asia, and the Middle East.

Starting his professional career with RTKL in 1993, Steve is a frequent speaker at Hospitality industry conferences such as ISHC, HD Expo, CHIC, Hotel Developer's Conference, BITAC and numerous other international conferences. He is a contributor to Forbes.com and industry publications such as Hotel & Motel Management and Hotel Interactive. Steve currently serves on the Board of Directors of the ISHC (International Society of Hospitality Consultants), a prestigious, invitation only group of hospitality experts.

James R. Suggs AIA, LEED AP, Principal

Jim Suggs's experience as a project manager at RTKL has been focused on large scale hospitality and mixed-use projects. He is an RTKL and industry expert in the planning and design of hotels and hotel-driven environments and developments. With nearly three decades of experience as an architect and as a designer, Jim has amassed extensive experience in architectural design, interior design, historic preservation and master planning for private and public, commercial and institutional clients.

Scott Dorn, Associate AIA, Associate

Scott Dorn is an architectural project designer specializing in hospitality planning, design and implementation, with broad experience for a variety of hotel operators and owners. Scott has worked throughout the U.S., Asia, Mexico, and the Caribbean, and has helped create unique hospitality experiences for guests and clients alike. Involved through all project phases, he has led the design effort on mixed-use, hotel, resort, gaming, and restaurant projects, and ensured a consistent creativity and quality level from concept to construction. Scott combines his knowledge of functionality and operational program requirements with a drive for world-class design that has produced truly memorable properties and hospitality environments.

RTKL RELEVANT EXPERIENCE

HILTON BALTIMORE CONVENTION CENTER HOTEL

[BALTIMORE, MARYLAND]

Developed by **Baltimore Development Corporation on behalf of the City of Baltimore** and master planned and architecturally designed by RTKL, the 757-key Hilton Baltimore recently received ULI Baltimore's WaveMaker Award for demonstrating respect for the surrounding neighborhood and geography with a strong sense of place, sustainability and a visionary approach. Located adjacent to the Baltimore City Convention Center and overlooking Oriole Park at Camden Yards, this public-private venture contains 60,000 SF of flexible function space, a 200-seat three-meal restaurant with an additional 96 seats of outdoor dining, a 90-seat lobby bar and 550 spaces of structured parking.



Hilton Baltimore Convention Center Hotel

SHERATON PUERTO RICO CONVENTION CENTER HOTEL & CASINO

[SAN JUAN, PUERTO RICO]

The 490,000-SF Sheraton Puerto Rico Convention Center Hotel & Casino opened in November 2009 in the heart of San Juan's new development district and features design innovations that are the first-of-their-kind in the Caribbean. **Developed through public-private partnership between the Developer, Interlink Group, and Convention Center Authority**, it is an important catalyst in the district's long-term growth and amongst the first Caribbean hotel seeking LEED® certification. Bordering a nearby cruise port and the upscale neighborhoods of Condado and Miramar, the 503-key hotel is the first 500+ room property built in Puerto Rico in over 10 years. The property's emphasis on luxury, resort and urban amenities create a unique experience not found in other hotels. Its numerous features include over 40,000-SF of meeting space, dining and retail attractions, a cinema, an entertainment complex, and a casino. Conceived as a 'beach without sand', the hotel features lush gardens with a lagoon-style 'horizon' pool and personal cabanas.



Sheraton Puerto Rico Convention Center Hotel & Casino



BETHESDA NORTH MARRIOTT HOTEL AND CONFERENCE CENTER
[ROCKVILLE, MARYLAND]

As part of a design/build team that included Montgomery County, Marriott International Inc. and Quadrangle Development Corporation, RTKL designed the new conference center and hotel complex in suburban Washington, DC. The 285,150 SF project is intended to provide an “imageable” place within Montgomery County to hold conferences and attract outside business to the county. The project includes 136,000 SF of conference facilities that includes a 21,000 SF grand ballroom, the second largest in the DC area, all attached to a 227-room hotel.



OMAHA HILTON CONVENTION CENTER HOTEL
[OMAHA, NEBRASKA]

Currently Nebraska’s only 4 Diamond property, the 450-key RTKL-Designed Omaha Hilton Convention Center Hotel is an economically viable and contemporary addition to the city’s developing downtown area. Funded through a combination of public/private bond financing, the 8-story, 360,000 SF Hilton links directly to the convention center through an enclosed sky bridge and has 14,500 square feet of meeting space, a 10,000 SF ballroom, and an outdoor events garden.



THE LODGE AND SPA AT CALLAWAY GARDENS
[PINE MOUNTAIN, GEORGIA]

The Lodge and Spa at Callaway Gardens brings a dynamic addition to the 13,000-acre Callaway Gardens Resort in Pine Mountain, Georgia. The new RTKL-designed building, which houses 150 guest rooms and suites and a 13,000-SF spa, contributes to Callaway’s eco-friendly image and enhances the resort community’s position in the Atlanta marketplace.



HYATT CHESAPEAKE
[CAMBRIDGE, MARYLAND]

On the waterfront along a mile of the Choptank River on Maryland’s Eastern Shore, RTKL designed a new 342-acre resort and residential community to bring jobs and business to the area and provide a unique destination for locals and travelers. With special attention to open space, landscaped courtyards and details, the design team created spectacular vistas from the 400-rooms of the hotel, the 24,000 SF conference center, the 15,000 SF spa and the 18-hole golf course.

Mathes Brierre Architects (Local Architect)

Mathes Brierre Architects is the latest evolution of a firm founded in 1891 by Charles A. Favrot and L.A. Livaudais. The century-old firm evolved through numerous changes in leadership while contributing prolifically to the architectural fabric of an historic New Orleans cityscape including the historic Roosevelt Hotel, the Hale Boggs Federal Courthouse and Office Building, and the New Orleans Theater for Performing Arts. Other important projects the firm produced include the Jung Hotel, the Aquarium of the Americas and Woldenberg Park, Loyola University's Communications, Music and Theater Complex, Dillard University's Communications and Fine Arts Center, the 53-Story Place St. Charles office building, and the Audubon Tea Room.

The firm has designed music schools and/or performance facilities at the University of Miami, Arizona State University, Indiana State University, Baylor University, University of Houston, Stephen F. Austin University, Bucknell University, Goshen College, and West Virginia University. Additional noteworthy projects include the New Orleans Center for Creative Arts, the J. Edgar and Louise S. Monroe Library at Loyola University, the renovations of the historic Thomas Hall at Loyola University, the Headquarters for the Marine Force Reserves, The Westin Ft. Lauderdale Beach Resort and Spa and the National World War II Museum Expansion projects.

Mathes Brierre recently designed the first phase of expansion to the Poydras Home Continuing Care Retirement Community which includes 22 new assisted living apartments and 11 memory care units. The second phase will include a 33-unit skilled nursing wing. The Archdiocese of New Orleans engaged Mathes Brierre in the \$25 million expansion and renovation of the St. Martin Manor Senior Living community. Construction on both projects is currently underway. The firm has design significant multi-family projects including 233 apartments and condos at 1201 Canal and the 263-unit Muses Residential project.

Key Team Members

Creed W. Brierre, FAIA, NCARB, President

Mr. Brierre has been employed with Mathes Brierre Architects since 1975 and was Principal-in-Charge of three public elementary schools in Jefferson Parish and served in that capacity for Construction Manager Services for \$70 million worth of construction in the same school system. He served as Design Committee Chairman and Principal-in-Charge of Construction for the Aquarium of the Americas. He has been the Principal-in-Charge of office buildings and branch offices of a state-wide savings and loan. Mr. Brierre has also been the Principal-in-Charge of many medical facility renovations and additions, including the 120-bed NHCU/Parking Structure for the Department of Veterans Affairs Medical Center (a Joint Venture). Mr. Brierre is active in the community and sits on several professional and community organization boards.

Edward C. Mathes, AIA, NCARB, Chairman

Mr. Mathes leads the efficient management structure which enables the firm to undertake large and complex projects. A Principal of Mathes Brierre Architects since 1972, he has directed the firm's growth to a respected multi-disciplined practice in New Orleans. As Principal-in-Charge, he will monitor and coordinate the progress of the project; ensuring schedules and budgets are being adhered to and is the primary contact person for the Owner.

Mr. Mathes is certified with NCARB and is licensed to practice architecture in 12 states. He has practiced architecture nationally and internationally for over 49 years and has managed many award winning projects.

Peter F. Priola, AIA, NCARB, Senior Vice President

Mr. Priola has been with Mathes Brierre Architects for seventeen years and is an award winning designer and architect. He has managed and/or designed many corporate, industrial, medical and academic projects including The National World War II Museum Expansion projects, The Fine Arts and Communications Center at Dillard University, new offices for Tulane University School of Medicine, the First English Lutheran Church, the Inter-Continental Hotel at the Pan-American Life Center and the Ellis Marsalis Center for Performing Arts.

L. Timothy Lupin, Project Architect

Mr. Lupin joined Mathes Brierre Architects as a project architect in 2003 after choosing architecture as his second career. He brings to the firm eight years of museum and exhibitry experience. Mr. Lupin has also taken an active role in the information technology advisement for the firm and in optimizing the usage of AutoCAD and Revit in the office.

Westin Fort Lauderdale
Beach Resort & Spa



MATHES BRIERRE RELEVANT EXPERIENCE

1201 CANAL CONDOMINIUMS

[NEW ORLEANS, LOUISIANA]

For 94 years, the Krauss Department Store grew to be one of the largest retail establishments in New Orleans. Two 6-story buildings with bridges at every level were converted to condominiums including several penthouse units with private terraces overlooking New Orleans' Central Business District and historic French Quarter. Major structural modifications were made to the building to introduce 5-story light-wells in the center and the addition of a mezzanine parking level. The conversion design includes a formal drive-through leading directly to the large lobby, a fitness center and a multi-level rooftop swimming pool/terrace with spectacular city views.

WESTIN FORT LAUDERDALE BEACH RESORT & SPA

[FT. LAUDERDALE, FLORIDA]

The projects consisted of the renovation of the two existing buildings of the former 'Yankee Trader Hotel' on Fort Lauderdale Beach in Florida. The North building was originally constructed in the 1960's, while the South was built in the 1970's. All guestrooms in the two towers were completely renovated. Along with the renovation, the new construction of a 68,000 square foot Resort Spa and major Banquet Facility were added to the South building. The public spaces and guest rooms of the hotel were redesigned in collaboration with the project interior designer, Forrest Perkins of Dallas, Texas. The biggest challenge was to complete the entire project before the pre-scheduled NFL Super Bowl in January 2010, insomuch as the NFL had committed to using the facility as their headquarters for the Super Bowl being held in Miami. Mathes Brierre was able to successfully complete the up-scale redesign of this property by producing ten (10) separate bid packages to facilitate the initiation of the construction process thus allowing the construction to progress throughout the design process. This process enabled the project to be completed on-time within two years.

THE SOLOMON VICTORY THEATER PAVILION - THE NATIONAL WWII MUSEUM [NEW ORLEANS, LOUISIANA]

The Victory Theater Pavilion integrates three existing historic structures and completes most of the new construction planned for the east side of the campus. Consisting of mostly large scale precast concrete panels, the Magazine Street façade gives an impression of shields which protect the interior spaces. In contrast, through the extensive use of glazing and corrugated metal panels, the Parade Ground façade is more open and lightweight. Circulation balconies around the space create an architectural promenade that travels inside as well as outside. Through its 120 foot immersive screen, the 250-seat 4-D theater tells the overall story of WWII. The American Sector Restaurant and Bar Plaza make a visual connection between the street and the Parade Ground by aligning with the existing street axis. An undulating bar ceiling accentuates directionality which knits the project to city fabric through a unique setting.



The Solomon Victory Theater Pavilion

MUSES APARTMENTS [NEW ORLEANS, LOUISIANA]

The Muses is an innovative urban multi-block residential project in Central City New Orleans. The 3-phase development project replaced 4.8 acres of vacant land with new construction of 263 apartments, 28 market-rate condos and 4,000 SF of ground floor commercial space, which open up directly to the street intended to activate street-life and create community in an otherwise desolate neighborhood. Architecturally, the LEED Registered project is urbane, but with many features common to traditional New Orleans neighborhoods, including covered entry stoops, balconette railings with French doors, corner storefronts and a fitness center. Outdoor features include two children's playgrounds, two barbecue terraces, a dog walk, and secured parking. The sustainable landscape design features an innovative stormwater runoff-reducing design, with pervious parking lot paving and planted drainage bioswales, while downspout catchment basins direct roof runoff into subgrade infiltration beds. Water efficient landscaping includes over 40 species of native and adapted plants, and site building materials are manufactured with 15% to 65% recycled content. The project also supports alternative transportation, with a location one block from a streetcar line, and with covered bicycle parking for 15% of residents. Muses is LEED certified as the construction and design offer improved standards in environmental and human health and, was awarded the 2011 President's Award of Excellence by the Louisiana chapter of the American Society of Landscape Architects.



Muses Apartments

White Construction (Pre-Construction/General Contractor)

White Construction Company is a general contractor licensed in 18 states, providing General Construction, Construction Management, and Design-Build services. Founded in 1971 with offices in Jackson, Mississippi and Austin, Texas, White Construction is known as an award-winning builder of large, complex, and fast-track projects ranging from hotels, hospitals, and high tech campuses to manufacturing facilities, corporate headquarters, and shopping centers.

WCC has recently completed various historic restoration projects. Most notably, the Grand Opera House in Meridian, MS. WCC received an Eagle Award from the National Office of the Associated Builders and Contractors for this project. Other recent historic restoration projects include:

- Standard Life Building – Adaptive Reuse, Jackson, MS
- John Minor Wisdom Courthouse, New Orleans, LA
- Texas Governor’s Mansion, Austin, TX
- Woodworth Chapel – Tougaloo College, Jackson, MS

Related experience includes many other multi-family and hospitality projects throughout the Southeast and Southwest United States.

The annual volume of White Construction allows the CEO and President of the company to be personally involved in each project. WCC’s recent annual volume history is as follows:

Projected Volume for 2013	\$618,652,070
Volume for 2012	\$528,887,499
Volume for 2011	\$894,767,806

White Construction’s safety program has earned us an excellent EMR rating of .75. We are consistently listed among the top 10 general contractors by business and trade organizations in our regions of operation.

WCC’s team of experts combine many years of experience with a flexible array of services customized to a client’s unique needs, illustrating success in constructability, value engineering, and cost management. We work with clients to solve problems from early conceptual planning through project completion. White Construction has developed an effective model for planning and successfully managing complex projects with aggressive schedules.

White Construction’s outstanding performance, consistent reliability, and solid reputation have led to many longstanding relationships with repeat clients and the best subcontractors.

Key Team Members

Chad Pippin, Vice President

With thirty years of experience in all aspects of construction— superintendent, estimator, senior project manager and Vice President of Operations—Chad Pippin is a seasoned industry veteran with a wealth of knowledge. As a Vice President he employs his construction expertise by managing complex construction projects, and assisting project managers and superintendents. Pippin has completed the 30-Hour OSHA training and he earned a B.S. degree in Construction from Northeast Louisiana University. He is also a LEED® Accredited Professional as certified by the U.S. Green Building Council.

Guy H. White, President

Guy H. White grew up in the construction industry. Prior to joining White Construction Company full-time, he worked with a commercial real estate firm in Dallas, where he was involved with land acquisition and commercial development projects. White has been the Principal-in- Charge of all operations in the Southeastern U.S. Region since 1989. He is directly involved in all projects—from pre-construction services to project completion. WCC is committed to having a principal directly involved in every project. Among his most notable awards is the 2007 Eagle Award for Excellence in Construction from the National Associated Builders

and Contractors, Historic Restoration \$10-\$99M for the Mississippi State University, Riley Education and Performing Arts Center. White graduated from the University of Mississippi with a B.S. degree in Business Administration. He has served as President of the Mississippi Associated Builders and Contractors (ABC), on the National ABC Board of Directors and as an advisory board member for the Mississippi State School of Architecture.

Michael Linebaugh, Vice President of Estimating

Michael Linebaugh joined White Construction Company in 2008 as a Senior Estimator Manager, having worked in the construction industry for more than 30 years. In 2011, he was named a Chief Estimator. From 1990-2008, as the owner of an estimating and consulting firm, he helped to implement Timberline Estimating in well over 350 construction companies including general contractors, mechanical and electrical contractors, concrete, landscaping and many other trades. He also performed contract estimating services for a variety of contractors, developers, architects and insurance companies. He was among the first to be certified by Timberline Software Corporation as both a Trainer and Consultant for the Estimating Product Suite. Linebaugh is certified by the American Society of Professional Estimators (1985, certification no. 585783), as well as by Timberline Software Corporation as an Estimating Consultant and Trainer (1995-2009). He attended Wichita State University.



Acqua Vista Residential Towers

WHITE CONSTRUCTION RELEVANT EXPERIENCE

ACQUA VISTA RESIDENTIAL TOWERS

[SAN DIEGO, CALIFORNIA]

The community encompasses two 18-story residential towers, which offer a total of 389 luxury units and 425 parking stalls enclosed within the building envelope of 536,000 square feet.

The Towers, connected by a low-rise podium of eight floors, are designed and positioned to allow view corridors from adjacent sites throughout the project. Tower units above the seventh floor have spectacular views of San Diego Bay. A unique tower top provides identity for the project on the San Diego skyline as well as terrace recesses and shade to the penthouse units. The tower base is designed to respect the neighborhood pedestrian movement in the Little Italy area.

HARRAH'S HORSESHOE CASINO & HOTEL

[VICKSBURG, MISSISSIPPI]

Vacationers enjoyed the casino and hotel, unaware of the large-scale construction of more than 896,000 square feet around them. This project involved expanding the existing casino as well as constructing a 14-story, four-star all-suite hotel, a four-story parking garage with capacity for 1,150 cars, a 60,000 square-foot entertainment complex, and a 30,000 square-foot administration building—all without disrupting the operations of the casino, two restaurants and a hotel.

We drove 966 auger-cast pilings to support the concrete frame hotel and precast concrete parking garage, which had to span a wetland area with a 20-foot change in elevation. Working through the winter, we completed the hotel structure in just 16 weeks; a short five months later we opened the first two floors of the hotel, with the balance ready two months later, in time for the December holiday rush. Because the new structures were going up on the casino's parking lot, the parking garage had to be put into operation before other phases of the project were completed, which complicated jobsite logistics.



Harrah's Horseshoe
Casino & Hotel

STANDARD LIFE TOWER RENOVATION

[JACKSON, MISSISSIPPI]

The conversion of the 1929 art deco landmark Standard Life Building—a design-build project—located in the West Capitol Street Historic District in downtown Jackson, Miss., included 76 upscale apartments operating as a component of the King Edward Mixed-Use Project. The project also includes the 186-room Hilton Garden Inn Downtown Jackson and 64 upscale apartments within the King Edward Building. The entire façade of the building was restored, including: cleaning and tuck pointing the masonry skin; replacing 25 windows to match existing ones; re-caulking the exterior masonry and windows; restoring the existing Standard Life sign; and, cleaning and restoring the existing limestone.

The \$945,000 worth of restoration work was conducted in accordance with National Park Service requirements. The 18-story renovated building includes 2,670 square-feet of retail space on the ground floor. Of the 76 apartment units, 50 are one-bedroom units (772 square-feet) and 26 are two-bedroom units (1,050 square-feet). Individual apartment amenities include: granite counter tops, wood floors in living areas and ceramic floors in bathrooms, stainless steel kitchen appliances, ceiling fans, full-size washer and dryer and high-speed Internet access throughout the building. Residents enjoy spectacular views, with some apartments featuring private terraces.

JOHN MINOR WISDOM, US COURT OF APPEALS BUILDING

[NEW ORLEANS, LOUISIANA]

The John Minor Wisdom Courthouse was built between 1909 and 1915. It currently houses the US Fifth Circuit Court of appeals and is listed on the National Register of Historic Places. The John Minor Wisdom Courthouse renovation project was a challenge before it ever began. Two days after WCC was awarded the project, Hurricane Katrina hit New Orleans. All the work listed below was done within the context of a dysfunctional city with few of the typical resources one would expect in a large metropolitan area.

The courthouse is an excellent example of Italian Renaissance Revival Architecture and features four large bronze statues on the corner roof penthouses that were built by the Piccirilli brothers, their most notable work being the statue of Lincoln at the Lincoln Memorial in our nation's capital. The interior great hall features marble columns and a cast plaster ceiling decorated with bas relief floral medallions and geometric designs. Working in and around this space was a study in excess caution and reverence for the historic nature of the building. Over the course of a year, we were challenged with changing out seventeen large HVAC units, the main building switchgear, all the sub-panels and transformers and associated secondary wiring, all while keeping the court fully functioning during normal working hours.



Standard Life Tower Renovation



John Minor Wisdom



W New Orleans – World Trade Center Site
Starwood Hotels & Resorts
Response to Request for Proposal
April 3, 2013

April 3, 2013

To: The City of New Orleans and the New Orleans Building Corporation

RE: W New Orleans at the World Trade Center Site – Request for Proposal

Dear Sir or Madam,

On behalf of Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”) and in conjunction with the Gatehouse Team, we are pleased to present our proposal for the hotel being developed at The World Trade Center Site. Starwood would be pleased to manage the proposed 245-key hotel under the W Hotels brand.

- **W Hotels is the World’s Leading Luxury Lifestyle Hotel Brand.** In 2012, W Hotels’ in North America, achieved a RevPAR index of 114% versus its competitive set. W Hotels is also the fastest growing luxury lifestyle hotel brand with 44 hotels currently open, 15 of which opened in the past three years, and 18 properties in the global pipeline. All told, W Hotels will have over 60 properties worldwide by the end of 2015.
- **W Hotels and New Orleans: A Rich History and Mutually Beneficial Relationship.** The W Brand is a perfect fit for New Orleans and the brand and city have thrived on the relationship ever since W Hotels landed in the French Quarter and on Poydras Street in 2000. Both hotels have been owned, branded and operated by Starwood ever since. More recently, Starwood unveiled a wholesale renovation of the W New Orleans French Quarter along with the SoBou restaurant in partnership with The Brennan Family Restaurants. Next up, we are planning a large renovation of the W on Poydras Street while exploring other Starwood brand alternatives for that property in order to keep the offering fresh and provide New Orleans with another innovative hotel option.
- **Starwood is the Leading Lifestyle Branding Company.** With nine distinct brands, Starwood is the leading lifestyle branding company that continues to redefine the hotel space. Starwood boasts one of the best Luxury and Upper Upscale hotel portfolios in the business and has reshaped the public perception of the hotel experience with its emphasis on innovation, design, and brand differentiation. Furthermore, Starwood is the world’s most global hotel company, with a strong presence in rapidly growing markets with nearly 80% of our pipeline outside the U.S.
- **The W New Orleans Will Be Powered by Starwood’s World-Class Booking Systems.** Additionally, our industry-leading booking channels drive guests and revenue to our hotels. In 2012, our nine Customer Contact Centers, around the world handled over 20 million guest interactions 24/7, in 25 languages; and our branded websites, available in ten languages, had over 334 million visits. Overall these channels contributed 71% of net consumed room revenue to W Hotels, in North America, in 2012 (same store, 24+ mos.). The W New Orleans

► QUALIFICATIONS & PERFORMANCE HISTORY

will be backed by the power of Starwood's industry leading booking systems, which attract and drive customers to the hotel destination. This includes the Starwood Sales Organization (SSO), comprised of 33 offices worldwide, our regionally-based Field Marketing team and TeamHOT - our unique cross-selling program that rewards property-based sales teams for business referrals to other Starwood hotels.

- **Starwood Preferred Guest (SPG) is the Hotel Industry's Leading Loyalty Program.** SPG produces innovative promotions and incentives that increase paid stays, generate PR, and promote brand trial, and has been the industry's most honored loyalty program for ten years running. With 17 million active members, SPG would drive transient business to W New Orleans, and would offer an immediate customer base to fill the hotel. SPG contributed 69% of all W room nights at a 36% rate premium to non-members, in 2012.

Within this section, we include a company and brand overview, operating projections, Starwood team resumes, a facilities and amenities program, an overview of W Hotels' portfolio, and comparable W Hotels. You will learn of the many attributes and differentiating initiatives of the W Hotels brand. Starwood also prides itself on the people that make up the organization, both at our hotels and within our corporate structure, who create the unique brand initiatives, develop and implement the successful strategies and deliver the service experience that make travelers all over the world loyal to Starwood and W Hotels. All of these programs and initiatives are compelling benefits of Starwood, and the W Hotels brand that will position The Hotel to successfully compete on a regional and national level.

Sincerely,

STARWOOD HOTELS AND RESORTS WORLDWIDE, INC.

Ben Cary

Director, North America Development

Starwood Hotels and Resorts Worldwide, Inc.

Phone: (203) 351-3516

E-mail: ben.cary@starwoodhotels.com

Starwood Hotels & Resorts Overview

Starwood Hotels & Resorts Worldwide, Inc. is a leading hotel and leisure company, with 1,134 properties in 100 countries and territories with 171,000 employees at its owned and managed properties. Starwood Hotels is a fully integrated owner, operator and franchisor of hotels, resorts and residences with the following internationally renowned brands: St. Regis®, The Luxury Collection®, W®, Westin®, Le Méridien®, Sheraton®, Four Points by Sheraton®, Aloft®, and Element.SM

Through the innovation of our people and the strength of our distinct brands, Starwood also boasts the industry's leading loyalty program, Starwood Preferred Guest (SPG). Starwood also owns Starwood Vacation Ownership, Inc., one of the premier developers and operators of high-quality vacation interval ownership resorts. Starwood is perfectly positioned for the future with a focus on being the leading global hotel and lifestyle services company with world-class brands and exceptional partnerships. As a partner with Starwood, your benefits include:

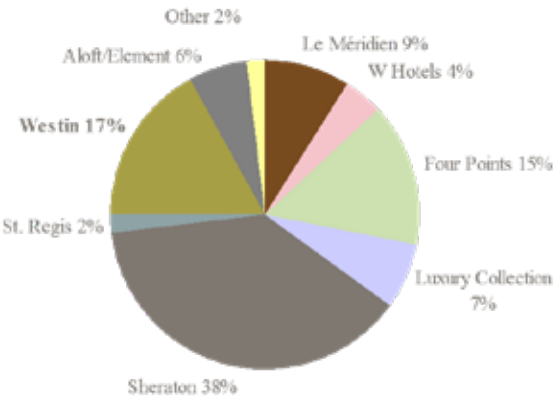
- **Powerful centralized support systems.** Our centralized systems are designed to deliver from the commencement of pre-opening sales through the ongoing operation of the hotel to attract and to capture business through sales, marketing and revenue management.
- **Proven history of innovation and brand building.** Innovation is synonymous with Starwood. It is in our DNA. We remain focused on strengthening our brands through innovative programming delivered through flawless execution and superior service delivery to create unmatched loyalty with our guests and strong returns for our owners.
- **Starwood thinks like an owner.** With one of the largest owned portfolios in the industry, which includes 66 hotels and Starwood Vacation Ownership properties, we are continually focused on driving returns while maintaining operational efficiencies.

Starwood continuously focuses on strengthening our brands and powerful systems to ensure that our partners earn a better return on capital with our brands than the competition across the globe. With a strong global pipeline, driven by our industry-leading brands, high guest recognition/loyalty and over 200 new properties anticipated to enter the system by 2015.

The Starwood Portfolio

By Division	
North America:	576
Europe, Africa, Middle East:	244
Asia Pacific:	243
Latin America:	71
Total:	1,134

Starwood Distribution by Brand



Luxury and Upper Upscale Strength

Unlike many of our competitors, Starwood has one of the largest Luxury and Upper Upscale portfolios in the industry; our system-wide customer base, from group meeting planners to individual transient guests, is oriented to those customers seeking full service, premier hotel and resort properties. Luxury and Upper Upscale lodging space represents 78% of the Starwood portfolio.



Source: Smith Travel Data, December 2012

Starwood’s Central Booking and Support Systems Drive Success

Starwood is the global hotel leader in innovation and lifestyle branding, inspiring guests and pushing the industry in uncharted directions. Through our world-class brands, global systems and experienced in-market teams, Starwood delivers more affluent and discerning global customers to your hotel, resulting in a competitive market share advantage.

Starwood Preferred Guest Loyalty Program



SPG has been the industry's most honored loyalty program for ten years running. With nearly 17 million active members, SPG is very profitable for owners, accounting for 69% of net consumed room occupancy for the W Hotels brand in North America, for 2012. SPG members stay more often and spend more too. Today, SPG drives one out of two guests to our hotels.

Member retention with SPG is extremely high – 93% of SPG Platinum members retain their status year to year and are 26 times more profitable than the average guest. Of new SPG members, 53% come from outside the U.S., (up from 39% just four years ago), driven in large part by our strong global distribution.

Guests love SPG with features like no blackout dates and no restrictions on hotel night redemption and airline tickets. SPG is strongly differentiated from competing loyalty programs with Starpoints® that can be transferred to over 30 major airlines, unique award options, and the Starwood Preferred Guest credit card by American Express. SPG also received awards for Best Customer Service, Best Website, Best Elite-Level Program, and Best Award Redemption.

SPG continues to innovate with our recent enhancements

SPG Ambassador Program: Lifetime status and other benefits aim to solidify our relationships with our most profitable members and grow their ranks. After crossing the 100-night threshold, SPG Members are paired with a personal ambassador to assist in all their travel needs.

Lifetime Gold and Platinum Status: Launched in February, 2012, as a way of rewarding our most loyal guests, SPG is the first loyalty program to introduce Lifetime Gold and Platinum status. Be golden – for life. Guests never go below Gold membership level when they achieve 250 nights total and any five years of elite SPG status. The best things in life – for life. Guests never go below Platinum membership level when they achieve 500 nights total and any 10 years of Platinum SPG status.

Your24: After spending 75 nights with Starwood, members earn four Starpoints for every eligible U.S. dollar spent. Members also get access to control their check-in and checkout time, as well as a confirmable suite upgrade ensuring their room is ready upon arrival.



SPG Credit Card from American Express: In 2006, SPG partnered with American Express to form one of the most successful credit card launches in American Express history – The Starwood Preferred Guest American Express card. The SPG Amex card offers the richest redemption value of all flight and hospitality credit cards, rewarding our loyal guests, yet another way for their loyalty.

moments **Moments by Starwood Preferred Guest:** The Moments program, allows SPG members to use their points to bid online and redeem access to once-by Starwood Preferred Guest in-a-lifetime events through exclusive partnerships. Some of the packages that have been offered include tickets to the Country Music Awards; concert tickets and back stage access to world-renowned artists, including Justin Timberlake and Mariah Carey; opportunities to golf 18 holes with PGA Professionals; tickets to the NCAA Men's Final Four basketball games, and red carpet premiers.



Request for Proposal
World Trade Center Site

SPG's Innovative iPhone Application: Mobile is Starwood's fastest-growing booking channel. Mobile bookings are a growing trend in general, and for the hospitality industry in particular. Today, 25% of travel related searches are done via mobile, and mobile is fast becoming a booking channel of choice among our fastest-growing traveler segments in emerging markets like China, Brazil and India. Our bookings through mobile websites and mobile apps grew 470% from 2010 to 2011.

Starwood's new application for iPhone and iPhone Touch utilizes state-aware technology to create personalized guest experiences across Starwood's nine distinct brands. This latest development is part of Starwood's ongoing commitment to tech innovation and to meet the needs of today's connected global traveler. For example, Starwood was the first in the industry to offer FaceTime customer service, a feature that's built into the new SPG app. The app also includes fully integrated booking, member information, comprehensive hotel searches and travel details, customer service, and social media. It is currently available for free from the App Store on iPhone, iPod Touch and iPad.



SPG Partnership with Delta SkyMiles®: Crossover Rewards™ is an exclusive, new partnership between SPG and the Delta SkyMiles® program with the two companies teaming up to give their best customers reciprocal elite-level benefits. Crossover Rewards™ is an industry first and the goal is to lure more loyalty members to each company. Delta's highest elite SkyMiles members will receive perks such as priority check-in and late checkout. Additionally, all Delta elites will earn one mile per dollar spent on eligible Starwood room rates. In turn, SPG Platinum members will enjoy the benefit of priority check-in, one free checked bag and priority boarding when flying Delta. Plus, all SPG elites will earn one point per dollar spent on eligible flights.

Central Marketing Delivery (CMD)

Starwood drives business to its hotels 24/7 through a synergy of state-of-the-art booking technology, Customer Contact Centers, and compelling online vehicles. Starwood's marketing channels drove 71% of net consumed room revenue to W Hotel properties in North America, in 2012.

The Centralized Marketing Delivery Systems include:

- **Customer Contact Centers (CCC) (18%):** Our trained service agents handled 20 million phone calls and guest interactions 24/7, in 25 languages, from nine call centers around the world including India and China. Our Minimize Abandoned Reservation Calls System (MARS) allows hotels to seamlessly transfer their property reservation calls 24/7 to a CCC, where they are answered by a reservations associate to ensure every booking is realized.
- **Global Distribution System (GDS) (24%):** Enables travel agents around the world to book air travel, car rental and hotel rooms on a common system.
- **Starwood Web Channels (30%):** Handled over 334 million visits in 2012, in ten languages, each delivered in branded voice, look and feel. These industry-leading booking engines offer world-class marketing, international language capabilities and exceptional online customer support.

Starwood Sales Organization (SSO)

Starwood sales and marketing efforts, feature a top down (global) and bottom up (local) approach, to ensure that new demand opportunities are generated from the greatest number of sources possible via global and local support.

SSO has the power to put people in rooms in an increasingly global and competitive environment, with over 400 world-class global and divisional sellers, in 33 offices around the world, which drive bookings in the group, leisure and transient segments. In 2012, the Starwood Sales Organization via the programs mentioned below contributed approximately 33% of all net room revenue to W Hotels in North America (same store, 24+ mos.).

Our global divisional sellers, combined with our property sellers (4,600), deliver the global reach and local expertise that is earning our customers' loyalty across the globe. We sell the way that customers want to buy, deploying sales teams and resources to match our customers' needs, travel patterns, and strategic organizational touch points.

Additionally, we are growing our teams where our customers are growing and where our company is investing, creating first mover advantage in key markets and driving new business. As growth markets continue to gain momentum, Starwood has the network and know-how in place to identify, capture, and convert significant inbound and outbound business.

Starwood develops and invests in our unique programs and resources that drive business to our hotels, keep our teams educated, and build loyalty with customers including:

- **TeamHOT:** Starwood's internal referral system. This program is the only hotel referral program that rewards associates with cash, making it a great program for our associate and our hotels. In 2012, TeamHOT generated nearly \$200 M of incremental revenues throughout the Starwood system globally. Having this program in place motivates each property sales professional within the organization to become a seller not only for his or her property, but for the entire portfolio.
- **Starwood Preferred Planner:** One of the largest reward and recognition programs in the industry drives meeting planner loyalty, worldwide. In 2010–2012, there were more than 137,000 active members, who generated nearly \$450 M in total revenues in North America.
- **Starwood Preferred Business Program:** Rewards small and mid-sized business loyalty. The program drives new revenue and increases market share from small businesses, and now generates over \$100 M in business annually.
- **StarwoodPro:** Renowned as an industry-leading education and development tool for our travel professional partners.
- **Dedicated Lead Prospecting Centers:** Builds a pipeline of new relationships and generates qualified opportunities on behalf of our hotels around the world.
- **Starwoodmeetings.com:** Ensures meeting planners have access to the right information, in the right place, at their convenience.
- **Starwood's Personalized Traveler Program:** Supports the growing force of Chinese and Latin American travelers, better serving their unique preferences abroad.

Field Marketing

Starwood's Field Marketing team serves as a local marketing agency that creates and executes specific online marketing plans with measurable goals and tactics which address the needs of each hotel. These teams work directly with properties to proactively fill hotels during need periods and the off-season by leveraging online space and web optimization methods.

Field Marketing leverages the latest trends and shares best practices to stay ahead of the competition, drives innovation and exploits emerging technologies. Focus is on paid and organic search marketing and niche strategies for resorts, group, corporate transient, weddings, national partnerships, etc. Email marketing campaigns to our SPG/non-SPG database and group customers with special offers and customer relationship marketing through Guest Communications to segment offers and up-sell on property amenities and services are also leveraged to drive bookings.

In North America, over 96% of hotels participate in this optional program and receive an average \$25 in revenue for every dollar spent. Below are some examples of our marketing strategies.

- Search engine marketing (pay-per-click and search engine optimization)
- Online marketing
- Email/direct mail campaigns to SPG/non-SPG database
- Consultation on social media best practices
- Customer relationship management strategy through StarGuest Communication
- Special offer pages on branded property pages

Branded Websites

As a differentiated lifestyle brand company, one of Starwood's strengths has been unique web sites for each brand. Starwood branded websites host over 334 million unique visits, each delivered in branded voice, look and feel.

A key differentiator for Starwood versus our competition is that Starwood provides its branded websites in nine languages: English, French, German, Italian, Spanish, Japanese, Chinese (simplified Mandarin), Portuguese and Russian, with two additional languages launching in 2013. The sites also allow for shopping and booking in each language. Starwood recently rolled out enhancements on the Chinese translated sites, becoming the first of its primary competitors to allow guests to make reservations and join Starwood Preferred Guest using online forms with Chinese characters.

All Starwood branded sites are designed internally and developed by our internal technology teams. We do not use any outside vendors for our branded websites. Many of our properties maintain vanity websites.

Six Sigma

Starwood is the only hospitality company to harness the power of Six Sigma. The Six Sigma program focuses on defect reduction, process improvement and the speedy transfer of innovative solutions throughout our hotels by delivering measurable, quantifiable financial impact with extraordinary profits and increased margins, as well as increased Guest Experience Index, Associate Engagement Index, and Meeting Planner Satisfaction Index scores.

Procurement

Starwood's centralized procurement services generate significant savings through strategic sourcing partnerships on the national, regional and local levels, leveraging state-of-the-art eProcurement technology. Hotels utilizing the Centralized Procurement program save up to 15% compared to hotels that do not, and further benefit from reduced accounting, payroll and benefits expense.

Revenue Management

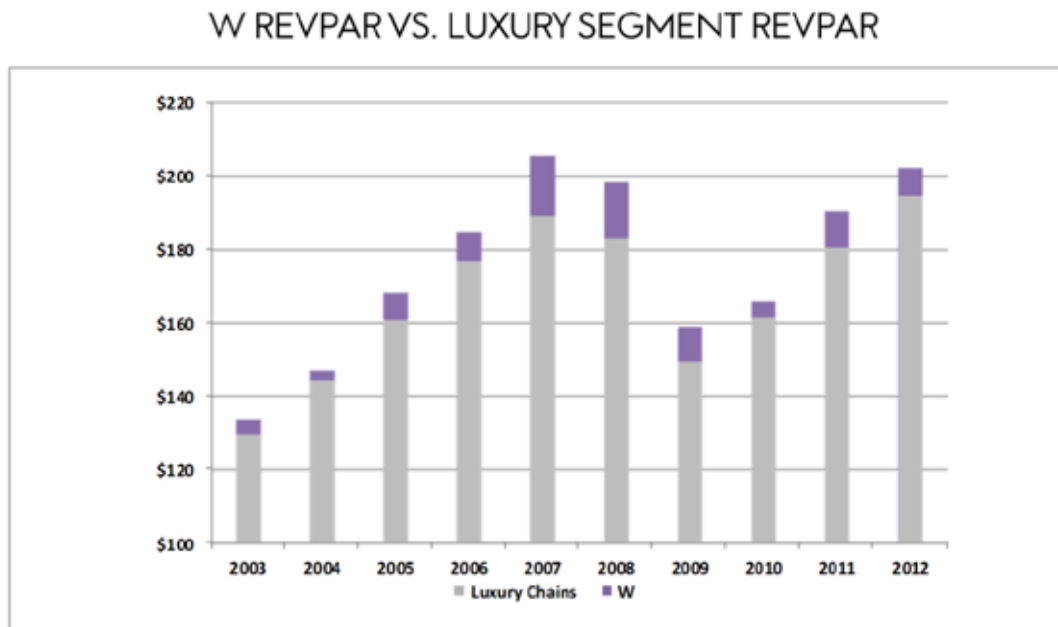
Starwood's revenue management program provides a world-class solution for managing pricing and inventory, while ensuring that revenues are maximized via all distribution channels. Our recent, multi-million dollar investment in revenue management includes cutting edge tools and products, enhanced analytics, communication and training. The revenue management team ensures each hotel actively participates in all Starwood's brand marketing promotions, effective pricing and inventory strategies.

W Hotels Overview

A global design powerhouse, W mixes the energy and vibrancy of its native New York City with insights from the local scene to create unique and innovative design personalities that appeal to global jetsetters. W redefines the contemporary luxury hotel experience with each new opening, offering cutting-edge design, Whatever/Whenever service, buzzing bars and restaurants, and insider access to what's new and next for guests and locals alike.

W Hotels is one of the world's leading luxury lifestyle hotel brand with distinct positioning, proven innovation and market leading performance, backed by a global powerhouse – Starwood Hotels & Resorts Worldwide, Inc. Securing itself as the fastest growing luxury brand in the history of lodging, W Hotels has more than doubled its portfolio in the last five years. W Hotels continues to dominate in the luxury lifestyle hotel space with 44 hotels currently open, 15 of which opened in the past three years. Today, W Hotels currently has 18 properties in its global pipeline, and is on track to reach 60 hotels by the end of 2015.

W Hotels has had consistent, expansive growth year-over-year and a demonstrated track record of success with a solid brand portfolio. As illustrated below, for nine years running, W Hotels steadily outpaces its luxury competition in RevPAR, producing a 114% RevPAR Index in 2012 versus its competitive luxury set across North America.



Source: Smith Travel Research Chain Scale Trend Reports NAD 2012 Year End Data;
Smith Travel Data W Hotels NAD 2012 Year End Data, Same Store 24+ months

W Hotels Portfolio:

HotelName	City	State	Country	Rooms
W Atlanta Buckhead	Atlanta	GA	USA	291
W Atlanta Downtown	Atlanta	GA	USA	237
W Atlanta Midtown	Atlanta	GA	USA	466
W Austin	Austin	TX	USA	251
W Bali	Bali		Indonesia	237
W Bangkok	Bangkok	n/a	Thailand	234
W Barcelona	Barcelona		Spain	473
W Boston Hotel & Residences	Boston	MA	USA	235
W Chicago - City Center	Chicago	IL	USA	402
W Chicago Lakeshore	Chicago	IL	USA	520
W Dallas - Victory Hotel & Residences	Dallas	TX	USA	252
W Doha	Doha		Qatar	441
W Ft Lauderdale Hotel & Residences	Ft. Lauderdale	FL	USA	430
W Hollywood Hotel & Residences	Hollywood	CA	USA	305
W Hong Kong	Hong Kong		China	392
W Istanbul	Istanbul		Turkey	136
W Koh Samui	Surat Thani		Thailand	73
W London Leicester Square	London		UK	192
W Los Angeles Westwood	Los Angeles	CA	USA	258
W Mexico City	Mexico City		Mexico	237
W Minneapolis - The Foshay	Minneapolis	MN	USA	229
W Montreal	Quebec		Canada	152
W New Orleans	New Orleans	LA	USA	410
W New Orleans - French Quarter	New Orleans	LA	USA	97
W New York	New York	NY	USA	693
W New York - Time Square	New York	NY	USA	509
W New York - Union Square	New York	NY	USA	270
W New York Downtown	New York	NY	USA	217
W Paris - Opera	Paris		France	91
W Retreat and Spa - Maldives	Male		Maldives	78
W San Diego	San Diego	CA	USA	258
W San Francisco	San Francisco	CA	USA	404
W Santiago de Chile	Santiago		Chile	196
W Seattle	Seattle	WA	USA	424
W Singapore - Sentosa Cove	Singapore	n/a	Singapore	240
W South Beach	Miami Beach	FL	USA	321
W St. Petersburg	St. Petersburg		Russia	137
W Suites, Newark	Newark	CA	USA	172
W Taipei	Taipei		Taiwan	405
W Washington D.C.	Washington D.C.	DC	USA	317
W Hoboken	Hoboken	NJ	USA	225
W Seoul Walkerhill	Seoul		South Korea	253
W Scottsdale	Scottsdale	AZ	USA	224
W Retreat & Spa - Vieques Island	Vieques		Puerto Rico	156

W Hotels Pipeline:

Hotel Name	City	State	Country	Keys
W Abu Dhabi	Abu Dhabi		United Arab Emirates	330
W Beijing - Chang'an	Beijing	Hebei	China	350
W Bogota, Colombia	Santa Fe de Bogota	Bogota D.C.	Colombia	168
W Changsha	Changsha	Hunan	China	350
W Dubai, The Palm	Dubai		United Arab Emirates	283
W Guangzhou	Guangzhou	Guangdong	China	473
W Jakarta	Jakarta	Jakarta Raya	Indonesia	250
W Kuala Lumpur	Kuala Lumpur	Kuala Lumpur	Malaysia	150
W Milan	Milan	Milano	Italy	75
W Mumbai	Mumbai	Maharashtra	India	325
W Muscat	Muscat		Oman	250
W Panama	Panama City		Panama	220
W Retreat & Spa - Kanai, Riviera Maya	Riviera Maya		Mexico	180
W Retreat & Spa Goa	Goa	Goa	India	105
W Santa Fe	Mexico	Distrito Federal	Mexico	132
W Shanghai, The Bund	Shanghai	Shanghai	China	377
W Tel Aviv (RFR)	Tel Aviv		Israel	138
W Verbier	Verbier		Switzerland	137

Regional Leadership Team

Below we provide an overview of our regional operations team that would oversee the property.

Robert L. Hermany, Chief, North America Operations and Global Initiatives



As Chief, North America Operations and Global Initiatives, Bob Hermany leads the North America Regional Operations and Global Initiatives teams, supervising a portfolio of nearly 600 owned, managed and franchised hotels throughout the United States, Canada, Hawaii/French Polynesia and the Caribbean inclusive of all nine Starwood Hotels' brands. His responsibilities include Owner Relations, Operations, Sales and Marketing, Revenue Management, Finance, Human Resources and Franchise Operations. Mr. Hermany has been with Starwood since 1997, joining the company as Area Managing Director for Chicago.

He was promoted to Vice President of Operations in 1999, covering the Midwest Region. In 2000, he was promoted to Senior Vice President and his duties were expanded to include the Mid-Atlantic Region. In 2008 his duties were expanded to cover the East Coast Region. In 2012 he was promoted to Chief, North America Operations with oversight for the entire North America portfolio. Prior to joining Starwood, Mr. Hermany was with Davidson Hotel Company for three years serving as General Manager in Nashville, TN and was with Interstate Hotels for eight years serving as General Manager in Harrisburg, Pittsburgh and Parsippany, NJ. He began his career in New York and Chicago with "21" Club Management Company. Mr. Hermany holds a BS in Hotel Administration from Cornell University, 1980.

David Milus, Senior Vice President of Operations, South Region



With over 30 years of hotel industry experience, including 14 years with Starwood, David Milus provides oversight for the South Region and the Caribbean for our North America portfolio including owned, managed and franchised hotels. In addition, he leads the Residential Services group for the division. His oversight responsibilities include the areas of Sales and Marketing, Revenue Management, Food and Beverage, Human Resources, Franchise Operations, Six Sigma, Finance, and overall Operations support for all properties throughout the region.

Prior to this assignment, Mr. Milus was the Senior Vice President of Operations and Development Services and led a key operating and support group and was responsible for Architecture and Construction, Residential Services, and New Builds and Transitions for all owned, managed and franchised New Builds, Acquisitions and Dispositions in North America and the Caribbean. This included all nine Starwood Brands. His areas of responsibility included the operational functions that support new and transitioning hotels into the Starwood system, as well as oversight of the project management, owned hotel development, design management, FF&E sourcing, capex and technical services functions.

Leo Percopo, Area Managing Director South Region



As Area Managing Director for the South Region, Leo Percopo is responsible for overseeing operations for The Westin Charlotte, Westin Savannah, Westin Hilton Head Island Resort and Spa, Sheraton New Orleans, W New Orleans and W French Quarter. As opening General Manager for one of Sheraton's flagship properties, the 1,000-room Downtown Sheraton Convention Hotel Phoenix, Mr. Percopo's tenure with Starwood also included being General Manager of the Westin Galleria & Oaks Complex Hotels in Houston, The Phoenician Resort Scottsdale and currently the

Westin Charlotte. Both The Phoenician (2005 and 2006) and Sheraton Hotel Phoenix (2011) were recipients of Starwood's "Hotel of the Year" award and his Sales team received recognition as "Sales Team of the Year," three times. Mr. Percopo was on the Advisory Board for both the Luxury Collection and Sheraton Brand teams and has had experience in running Complex, Five Diamond Luxury, Resorts, Convention Center, and New Build Hotels under multiple Starwood brands. Mr. Percopo has been with Starwood Hotels and Resorts Worldwide since 1998.

Dan Surette, Regional Vice President, Sales and Marketing



Dan Surette is a seasoned sales leader with extensive experience in numerous environments at the corporate, unit and global sales level. Mr. Surette has over 25 years in the sales and marketing industry, all in the hospitality field. In Mr. Surette's current role, he is responsible for the sales and marketing efforts for 49 owned and managed multi-branded properties within the South and Caribbean regions. Full Service brands within the region include Westin, Sheraton, St. Regis and W Hotels.

Mr. Surette joined Starwood Hotels in April 2002 as the Area Director of Sales and Marketing for the South Region, consisting of 14 hotels in Colorado, Arizona and Missouri. He was promoted in July 2003 to the Regional VP of Sales and Marketing for the New England Region, based out of Boston, overseeing 19 hotels. In January 2006 he moved to the South Region as the Regional Vice President of Sales and Marketing, consisting of 29 hotels. Surette moved into his current position in March 2009. Prior to joining Starwood, Mr. Surette was with Hyatt Hotels and Resorts. He is a graduate of Johnson and Wales University.

Jeanne Montgomery Smith, Regional Director, Revenue Management



Jeanne Smith is a motivated leader with 20 years of experience in Revenue and Rooms Management in the hospitality industry, including corporate and hotel revenue management.

In Ms. Smith's current role as Regional Director of Revenue Management, she provides Revenue Management guidance and support for 49 owned and managed multi-branded properties for the South and Caribbean regions. The South Region portfolio of properties includes 16 resorts.

Ms. Smith has in-depth business expertise and knowledge driving revenues across all segments and hotel types, including leisure, convention, business transient, luxury, large group, resort, condo and mixed-use properties. She has extensive experience with supporting hotels in the new build and brand conversion process for Revenue Management, personally being involved in over 20 such endeavors during her tenure with Starwood. Previously she has held positions in Revenue Management in California, Connecticut, Texas, Illinois and Louisiana. Prior to her Regional Director role, Ms. Smith was the Area Director of Revenue for the South Region, based out of the Sheraton New Orleans. Ms. Smith moved into her current position in June 2003.

Richard Lehn, Regional Director of Finance



Richard Lehn is the Regional Director of Finance with a deep knowledge and understanding of hotel finance both on a property and corporate level. Mr. Lehn has financial responsibilities for 49 owned and managed multi branded properties for the South and Caribbean regions with three Area Directors of Finance reporting to him as well. Mr. Lehn joined ITT Canada LTD in 1988 as an internal auditor for the manufacturing division in Fluid Technology, Automotive, Defense & Electronics and Advertising Division (Puerto Rico Yellow Pages).

Mr. Lehn then joined Starwood (ITT Sheraton) in 1994 as an Assistant Controller for the Sheraton Centre Toronto. He was then promoted in January of 1998 as the Controller of the Sheraton Boston with a further promotion in 2001 to the Controller/ Area Controller position in January 2001 for the Boston Metro Region. He was again promoted to the Regional role in September 2002 first for the Northeast Region and Eastern Canada, moving to the South Region based in Atlanta, Georgia in January 2009. Mr. Lehn received his Bachelor of Administration from Simon Fraser University in British Columbia, Canada in 1983 and is a member of the Institute of Chartered Accountants of British Columbia and the Canadian Institute of Chartered Accountants since 1988.

Nancy J. Campbell, Regional Director of Human Resources



Nancy Campbell has been in the hospitality industry for 31 years, including 11 with Starwood. Ms. Campbell provides oversight to more than 50 properties in the field of Human Resources where she is responsible for short and long-term planning and management of the Human Resources function for the region. As Regional Director of Human Resources, she works with the Area and property Directors of Human Resources to advise, guide and consult in the areas of employment, wage and salary administration, benefits, training, employee/labor relations, organizational development and human resources financials. She works closely with the Senior Vice

President, Operations as well as the Vice President of Human Resources for The Americas Division of Starwood in implementing, achieving and maintaining the region's and division's goals and objectives.

Ms. Campbell's oversight of Human Resources for the region includes Starwood Brands: Westin, Sheraton, W, St. Regis and Four Points by Sheraton. Her area of responsibility also includes the support of new and transitioning hotels into the Starwood system. Ms. Campbell has considerable experience in the field of Human Resources and has held a number of senior roles while with Starwood, including Director of Human Resources, Area Director of Human Resources and Assistant Regional Director of Human Resources prior to assuming her current role. Prior to joining Starwood, Ms. Campbell had a successful career with Hyatt Hotels Corporation where she worked at eight different properties over the course of 20 years as Director of Human Resources.

Starwood Corporate Resources

Paul James, SVP, Global Brand Leader St. Regis Hotels & Resorts, The Luxury Collection & W Hotels Worldwide



Paul James is the SVP, Global Brand Leader, for W Hotels Worldwide, the global design powerhouse and industry innovator, St. Regis Hotels & Resorts, and The Luxury Collection. In this role, Mr. James applies his more than 20 years of experience in hospitality to these three luxury brands under the Starwood Hotels & Resorts umbrella. Appointed Global Brand Leader in 2008 for St. Regis and The Luxury Collection, and recently adding W Hotels to his purview, Mr. James is responsible for providing the overall strategic and creative direction for all three brands by leading the development of marketing, guest experience and communications programs and providing support for their strategic global development and portfolio growth. Mr. James has been instrumental in creating a long-term strategy of meaningful growth both domestically and internationally for W Hotels, St. Regis and The Luxury Collection as they branch out in the world's most enviable destinations.

As the Global Brand Leader of W Hotels, he will continue to oversee the brand's global growth strategy, which has W Hotels on track to reach 60 hotels by the end of 2015. Before his appointment as Global Brand Leader for Starwood's luxury brands, Mr. James served as Starwood's Regional Director of Sales & Marketing, NW Europe. In that role he was in charge of the sales and marketing teams for 35 hotels in nine countries across seven brands.

Sid Narang, Vice President, North America Development



As the Vice President of Acquisitions & Development for Starwood Hotels & Resorts, Sid Narang is responsible for all acquisitions and development efforts for Starwood's corporate managed brands in the South. Previously, Mr. Narang led development for Starwood's lifestyle boutique brands: W hotels and Le Méridien hotels. Under his leadership, W has become the world's fastest growing luxury hotel brand, and Le Méridien has launched its footprint in North America. In addition to brand development-specific activities, he has also negotiated and completed over \$1 billion in real estate transactions, both on the acquisitions, management and disposition side, as well as over \$100 million in joint venture transactions.

Mr. Narang has been with Starwood since 1998 and has held several real estate roles since then. His involvement has spanned virtually every aspect of acquisitions, development, management and franchise agreements, portfolio management, joint venture management and developing real estate strategies. Prior to joining Starwood, Mr. Narang worked with ITT Sheraton and Hilton Hotels.

Ben Cary, Director, North America Development



Ben Cary is responsible for growing Starwood in the Southern region of the United States through the development and acquisitions of hotel and mixed use opportunities. His responsibilities also include structuring and negotiating management, design review and condominium marketing license agreements. He has been with Starwood for over seven years holding key positions on the feasibility and development teams. Prior to Starwood, Mr. Cary worked on acquisitions and asset management at Hotel Capital Advisers, a New York City based hotel investment firm where he worked on the successful disposition of The Plaza in New York City, among many other projects. Mr. Cary started his career as a management trainee at The Carlyle Hotel in New York City. He received his B.S. from The Hotel School at Cornell University and is an active member of The Cornell Hotel Society and Westhampton Beach Presbyterian Church.

Comparable Properties

The following seven properties are examples of comparable W hotels. *Owner references are available upon request. Please call Ben Cary, Director of Development at Starwood Hotels (203) 351-3516*



W Dallas – Victory

W Dallas - Victory Hotel and Residences is part of the 72-acre Victory master development, located at the north-end of the Dallas CBD. This mixed-use project was developed in 2006 via a partnership among Gatehouse Capital. The hotel has 252 keys and 147 W Residences and is near the American Airlines Center and House of Blues. The hotel also boasts the following facilities:

- Wet® – Outdoor infinity edge pool
- Bliss® Spa
- Approximately 11,000 SF of indoor meeting space plus outdoor function space
- Sweat® Fitness Center
- Cook Hall Restaurant
- Living Room Bar and Lounge
- Wired Business Center
- Separate W residential Condominiums

Dynamic Dallas Downtown

This sleek and modern building has some of Dallas' best views of Downtown. The more than \$6.5 billion in new construction and development, in the surrounding area of Victory Park, from the future Calatrava Bridges to the Arts District to the Perot Museum of Nature and Science, has this area thriving. At Victory Park, guests are in the center of it all with Downtown, Uptown and Turtle Creek all nearby. The surrounding area is home to a unique collection of upscale shops carrying brand names and providing exceptional fashions and furnishings such as Neiman Marcus, Hermès, Chanel and Escada. For more shopping there is Highland Park Village or a stroll/jog along the famed Katy Trail, the Uptown and Oak Lawn areas of Dallas, Texas, following the path of the old Missouri-Kansas-Texas Railroad. The restaurant and nightlife scenes range from sensational sushi to exotic Mediterranean cuisine and of course the House of Blues Dallas, ranked #1 in the 'Top 50 Club Venues' in the world, showcasing major performing artists in a variety of music genres.



W Hollywood

The W Hollywood Hotel and Residences is a world class mixed-use project located at the intersection of Hollywood Boulevard and Vine Street that opened in January, 2010. Developed by Gatehouse Capital in conjunction with Starwood Hotels under a development consulting services agreement, the hotel component is managed by Starwood and features 305 guestrooms including a diverse array of suites. The hotel also boasts the following facilities:

- Wet® pool
- Bliss® Spa
- Drai's Hollywood Supper Club
- 9,500 SF of indoor meeting space plus outdoor function space
- Sweat® Fitness Center
- Delphine Brasserie Restaurant
- Living Room Bar and Lounge
- Station Hollywood Bar and Lounge
- Separate W residential condominiums
- 11,175 SF of signage
- W Hotels the store
- Wired Business Center

New Hollywood Glam

The Golden Age of Hollywood gets new life at W Hollywood, a modern reinvention of the silver screen, its stars and its glittering past. Wrapped by the Walk of Fame and embodying the sparkle of its stars, W will shine a new and brighter light on this land mark location. A rebirth of Hollywood and Vine and its surrounding neighborhood, W Hollywood rolls out the red carpet for fabulous parties and celebrity-style mixing. It's a welcome backstage, where W Hotels guests and locals alike are insiders in the energy of the spotlight. It's the place for guests seeking an adventure where old glamour meets new glitz, made up with a W brand twist.



W Austin

The W Austin Hotel and Residences is a mixed-use project and residential skyscraper located in Austin, Texas. Opened in December 2010, it stands 478 feet and 37 stories, making it the fourth tallest building in Austin. The hotel features 251 rooms and 159 residences—with perfectly positioned windows and postcard views of Lady Bird Lake or the downtown skyline. Developed by Stratus Properties and Canyon Capital in conjunction with Starwood Hotels, the property is located on Block 21 and attached to the New Austin City Limits. The hotel also boasts the following facilities:

- Wet® – outdoor pool
- Away® Spa
- 10,000 SF of indoor meeting space plus outdoor function space
- Sweat® Fitness Center
- Trace Restaurant
- Living Room Bar and Lounge
- Separate W residential condominiums
- Wired Business Center

Live Music Capital

A sound check on the W Austin scene sets the stage, taking sophistication all the way up to eleven. Headlining the famed 2ND Street District collective of local boutiques, restaurants and music venues—the heart of the city—the hotel pulsates at the dynamic intersection of art, politics, education, technology and sports, charming both the smart and attractive. Feel the exhilaration of glowing in dappled light as you walk in under a metal arch with cutouts, recreating the experience of sunlight coming through the trees on the Lady Bird Lake trail. For those with an ear for music, next door is the new home of the legendary Austin City Limits, where music comes alive in the "Live Music Capital of the World."



W New York – Union Square

W New York - Union Square is a 270-key hotel, located in the 1911 beaux arts Guardian Life building on the corner of Union Square and Park Avenue South in downtown Manhattan. The Rockwell designed, Starwood Hotels developed property recently emerged from a complete renovation. The hotel also boasts the following facilities:

- Sweat® Fitness Center
- Todd English's Olives Restaurant
- Lilium Lounge (Gerber Group)
- Living Room Bar and Lounge
- 7,000 SF of meeting space

Uptown Meets Downtown

Revel in the rhythm of W New York - Union Square, located in the 1911 beaux arts Guardian Life building. This hotel is central to glamorous shopping, eclectic music venues and a dynamic art culture, a contemporary spot for guests to see and be seen. Taste Mediterranean-inspired treats at Todd English's Olives restaurant, then descend down below to Lilium. Or gaze at the city and people watch with a martini in hand in the Living Room.



W Barcelona

W Barcelona is an avant-garde icon created by the world-famous Ricardo Bofill, rising above the spectacular beachfront of the Mediterranean Sea. The 473-key hotel with 67 suites opened in 2009, and was awarded Spain's Leading Hotel by the World Travel Awards. The hotel also boasts the following facilities:

- Wet® outdoor pool and bar
- Bliss® Spa
- Sweat® Fitness Center
- Bravo24 Restaurant
- Wave Restaurant
- Salt Restaurant
- Eclipse Restaurant
- W Bar
- Wired Business Center

Fiestas And Fashionistas

Sail away in sensational style at W Barcelona, where signature W luxuries and pampering take you from the bustling boardwalks of the beachfront to the captivating colors of the Catalan sky within a reflecting facade of silvered glass. The hotel is a modernist masterpiece of avant-garde architecture anchoring the port's Nova Bocana, where historic Barcelona meets the timeless Mediterranean Sea.



W PARIS - OPERA

W Paris – Opéra, an adaptive re-use conversion of an existing building centrally located at the intersection of Rue Halevy and Rue Meyerbeer in Paris. The property opened in 2012. The building is owned and was redeveloped by Meridia Capital Hospitality. The hotel is centrally located in the city of lights, just steps from the landmark Garnier Opéra House and the famous Galleries Lafayette and Printemps department stores as well as an Apple store right next door. The 91-key hotel is home to Arola, the signature restaurant headed up by Sergi Arola, a two-starred Michelin Executive Chef. The hotel also boasts the following facilities:

- Sweat® Fitness Center
- W Lounge
- AROLA Restaurant
- Wired Business Center with two meeting spaces

W South Beach



Opened in July, 2009 after a multi-year development period, W South Beach is located oceanside, in the arts and entertainment district of Miami Beach. This property features 408 keys, including Ocean Suites, Beach Bungalows, and the signature Extreme WOW suite as well as Wall, an exclusive bar and ultra-lounge operated in partnership with Miami nightlife impresarios and restaurateurs.

- Wet® – Outdoor heated pool
- Bliss® Spa
- 10,000 SF of indoor meeting space plus outdoor function space
- Sweat® Fitness Center, basketball court, tennis court
- Mr. Chow, The Dutch and The Grove Restaurant
- Living Room Bar and Lounge
- Wired Business Center
- W The Store

Flirty Florida Fun

South Beach—the celebrity jet set, the club circuit's hottest DJs, fashionable trendsetters, connoisseurs of fine living and style aficionados—strut their stuff on 10 miles of Caribbean-chic café society, sensational parties, real-time fashion shows and the world's largest concentration of art deco architecture on Ocean Drive, where all you need is an expression of your own individuality to join in. Just a short walk away is Lincoln Road, lined with chic boutiques, retro-fabulous antique stores, funky galleries and cozy cafés, a low-vibe/high-art complement to Ocean Drive. Venture further and lose yourself in Miami's diverse cultural assemblage of neighborhoods.



W HONG KONG

Opened in 2008, this 392-key hotel with skyline views of the city and the Kowloon Waterfront was developed by Cheerlord Investment Limited, a limited liability company and a wholly-owned subsidiary of Sun Hung Kai Properties Ltd., the largest property developer in Hong Kong. The W Hong Kong is home to the first Bliss® Spa in Asia, four food and beverage outlets and health club facilities. The hotel also boasts the following facilities:

- Wet® pool, one of the world's highest rooftop pools in the world
- Bliss® Spa
- Sweat® Fitness Center
- WOOBAR Restaurant
- KITCHEN Restaurant
- Sing Yin Cantonese Dining
- W Hotels the store
- 8,700 square feet of meeting space

Puts the Chi in Chic

Where skyscrapers and a giant Buddha graze the heavens, the W sign dazzles amid Kowloon's urban neon. In this eastern Manhattan, energy streams like hot tea at dim sum where W Hong Kong sits among modern splendor, oriental markets and colonial cool. Where modern and dynamic meet colonial and classic, where the virtues of east and west are intertwined like yin and yang, where street markets bustle in the shade of one of Asia's most important financial centers, Hong Kong is all at once a cosmopolitan metropolis, cultural and entertainment hub, and sensory phenomenon. Guests will find indulgences fit for an emperor; from the dazzling restaurants to the heavenly rooftop Wet® pool deck. Relax in this soothing, trend-spotting but Zen-inspiring urban oasis, or host the year's most memorable soiree with spectacular views of the Hong Kong harbor.

W Washington D.C.



Opened in 2009 and located next to the White House, the most powerful suits - pinstripes and black lace—rendezvous at W Washington D.C., where Italian Renaissance meets modern cool. With commanding rooftop views of major landmarks, W Washington D.C. is all about stately indulgence. This property features 317 keys and trendy-chic, P.O.V lounge, features rooftop views of the White House and D.C. monuments.

- Bliss® Spa
- 12,000 SF of indoor meeting space plus outdoor function space
- Sweat® Fitness Center
- J&G Steakhouse Restaurant, P.O.V. Lounge and Roof Terrace and Wine bar
- Living Room Bar and Lounge
- Wired Business Center
- W The Store

District W

From the Old Guard to the New World, politics is no longer the only game in town as Washington, D.C. climbs the ranks as one of the country's most stylish urban playgrounds where emerging fashion designers, innovative entrepreneurs, cutting-edge restaurateurs and the intellectual elite have come to frolic. Whether you're going up Capitol Hill or down to the Potomac River, wandering Washington, D.C. is like taking a whirlwind tour of the world where your bill of rights includes culture of monumental significance, fine international cuisine, arts both beaux and bold, montages of multi-ethnic enclaves, and more.

C. PRIOR GOVERNMENTAL EXPERIENCE:

GATEHOUSE CAPITAL

Gatehouse Capital has worked with several governmental entities across the country as Master Developer over the last several years and continues to work with various public entities on current projects. A brief description of these public-private projects is listed below.

W Hollywood – 305 keys – Total Project Cost: \$382 million

Gatehouse Capital collaborated with the LA Metro Transit Authority, Community Redevelopment Agency, all levels of LA City officials, and planning/building departments to successfully process all aspects of an EIR, fee-simple/lease land-swap, eminent domain process, and an unprecedented signage package. The overwhelming success of this impactful project has yielded key political/departamental long-term relationships and continuing support.

Hilton Los Angeles Downtown Hotel – 535 keys – Estimated Total Project Cost: \$225 million

Gatehouse established a strong and supportive relationship with the City of Los Angeles when it first developed the W Hollywood in 2010. In 2012, Gatehouse collaborated with the City of Los Angeles to develop a public financial incentive plan for the Hilton Los Angeles project in the form of a 20-year TOT Relief credit, which is a key component to the economic metrics of this project. Today, Gatehouse's relationship with the city continues strong as the current project progresses into the pre-development stage. Throughout this process, the relationship between Los Angeles Mayor Villaraigosa and Gatehouse has strengthened and the Mayor has requested Gatehouse to personally join him on an upcoming international trip to Asia with his economic development team as a result of Gatehouse's past success with Asian investors and Gatehouse's development history in LA and California. (Please see Gatehouse letter of support from Mayor Villaraigosa below).

ALOFT at The Banks Project in Downtown Cincinnati – 207 keys – Estimated Total Project Cost \$45 million

Gatehouse has been exclusively selected to be the third party hotel developer for the hotel portion of the \$800 million master-planned revitalization of the downtown urban core of the Riverfront community known as The Banks Development. Gatehouse has been working with both the City of Cincinnati and Hamilton County to negotiate the public financial incentives for this project and is concurrently working through the LOI with both entities.

Sheraton Louisville Expo Center Hotel – 600 keys – Estimated Total Project Cost \$160 million

In 2012, Gatehouse was selected through a public RFP process to be the exclusive developer for the 600-key Sheraton hotel to be located adjacent (and connected by pedway) to the Kentucky State Expo Center. Due to recent political changes in the Commonwealth of Kentucky, the RFP was re-issued in February 2013, for which Gatehouse re-bid and has recently been selected by the Commonwealth to negotiate exclusively. Gatehouse has and continues to work directly with the Commonwealth, the city, the Kentucky State Fair Board (KSFB), the county and the Louisville CVB while planning and negotiating the public economic incentives. This project involves heavy participation and continuous correspondence between the public sector and Gatehouse and proves to be a testament to the developer's will to work with the governmental entities to ensure success on both sides.

Other development team members:

In addition to Gatehouse's very strong prior experience with governmental entities as WTC master developer, all other key team members also possess broad and deep expertise and successful track records working with governmental entities on major projects locally, nationally, and internationally in the past.

- Starwood Hotels and Resorts Worldwide – numerous hotel projects nationally and worldwide involving governmental entities

- Provident Realty Advisors – local and national governmental experience over the past 20 years
- DAG Development – local governmental experience with projects described above
- RTKL Architects – substantial governmental experience nationally and internationally
- Mathes Brierre Architects – extensive local governmental experience
- White Construction Company – numerous projects with governmental experience over last 40 years across the Southeast Region and Texas

Finally, our local project execution team will also include other important members highly experienced with local government entities and processes such as Elkins PLC (Michael Mancuso), Jones Walker (Bill Hines), Morphy Makofsky Engineering (structural), Moses Engineering (mechanical and electrical), Paillet, Meunier, and LeBlanc, LLP (CPA/HTC cost certification), strong local subcontractors, etc.



ANTONIO R. VILLARAIGOSA
MAYOR

March 6, 2013

Marty Collins
Gatehouse Grand Avenue, LLC
865 S. Figueroa, #3400
Los Angeles, CA 90017

Re: New 535-room Hilton Los Angeles Downtown Hotel

Dear Mr. Collins:

As Mayor of the City of Los Angeles, I am pleased to support the development and construction of new convention center hotels in downtown Los Angeles. As you are aware, the city is moving forward with plans to dramatically modernize the Los Angeles Convention Center. Once complete, the center will aid in our efforts to attract world-class conventions and provide great economic impact to the entire City of Los Angeles. To support these efforts, it is critical the city increase its inventory of hotel rooms within a close proximity to the convention center. This is why I pledge my support for convention hotels.

New projects with iconic modern designs and high green standards add to the beauty of the Los Angeles skyline and bring much needed jobs to our thriving downtown Los Angeles economy. Your proposed Hilton Los Angeles Downtown Hotel at Olympic and Grand should be no exception.

Commercial real estate projects within walking distance of the Los Angeles Convention Center, Staples Center, the Nokia Theater, which hosts many of Los Angeles' great musical performances, and many world-class restaurants are ideally positioned to benefit from the population and tourism boom we have witnessed downtown since 2010. Hotels constructed to support the modernized Los Angeles Convention Center are also only blocks from the new Broad Museum, Disney Concert Hall, Museum of Contemporary Art, Grand Park and the Music Center, all found within with the heart of downtown Los Angeles. Further, the new supply of hotel rooms this and other projects

200 NORTH SPRING STREET • LOS ANGELES, CALIFORNIA 90012

PHONE: (213) 978-0600 • FAX: (213) 978-0750

EMAIL: MAYOR@LACITY.ORG

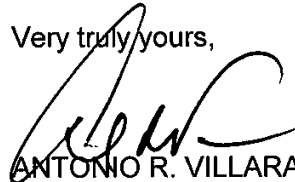


Marty Collins
March 6, 2013
Page 2

create will help the city address the increased lodging demand created by the anticipated Farmers Field football stadium and convention center expansion.

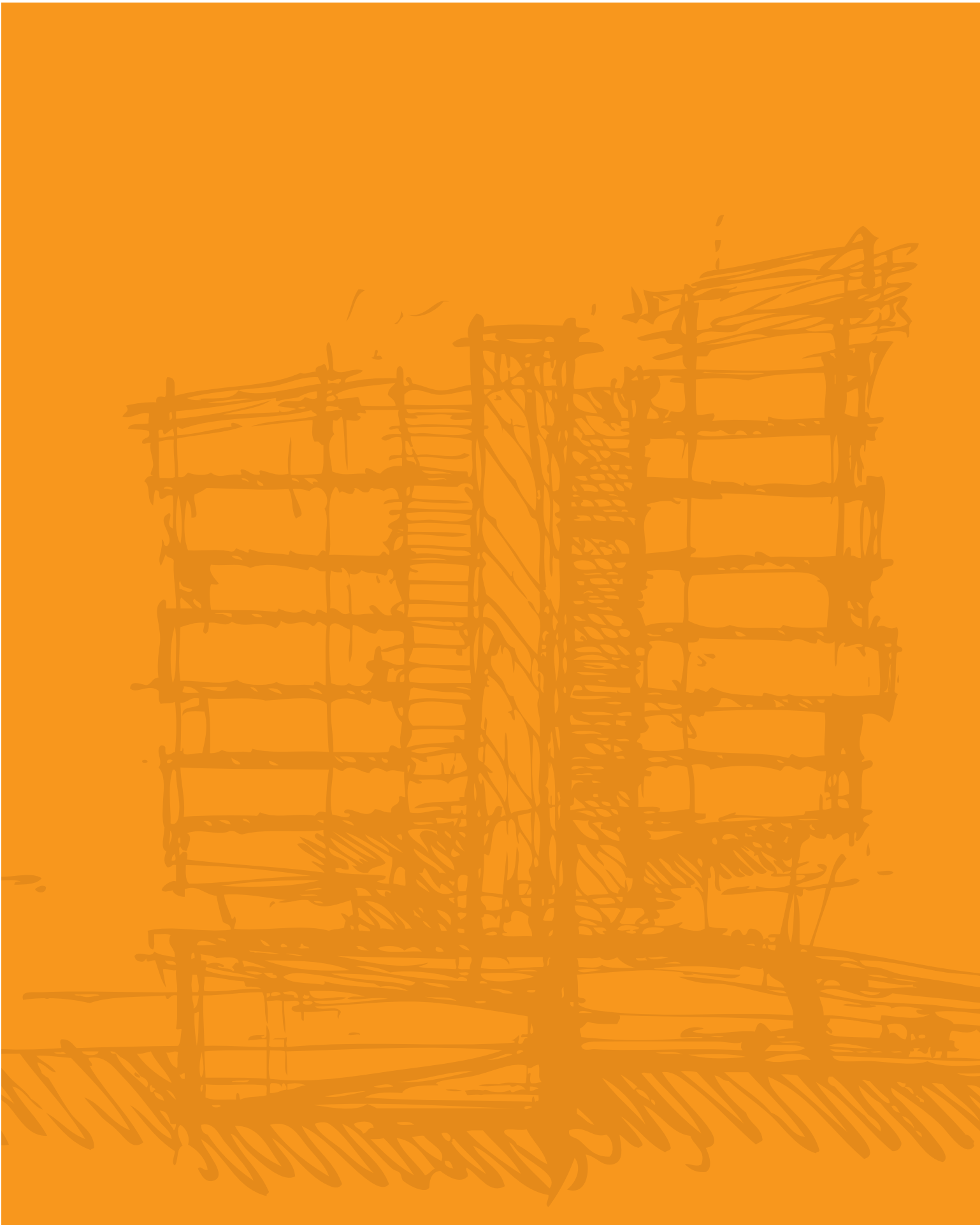
We look forward to working together with Hilton and your development team, with whom we enjoyed a successful relationship on the W Hollywood hotel project, to help coordinate and finalize the completion of this important project that will long stand as an important part of our vibrant and growing Los Angeles landscape and economy.

Very truly yours,

A handwritten signature in black ink, appearing to read 'ARV', is written over the typed name.

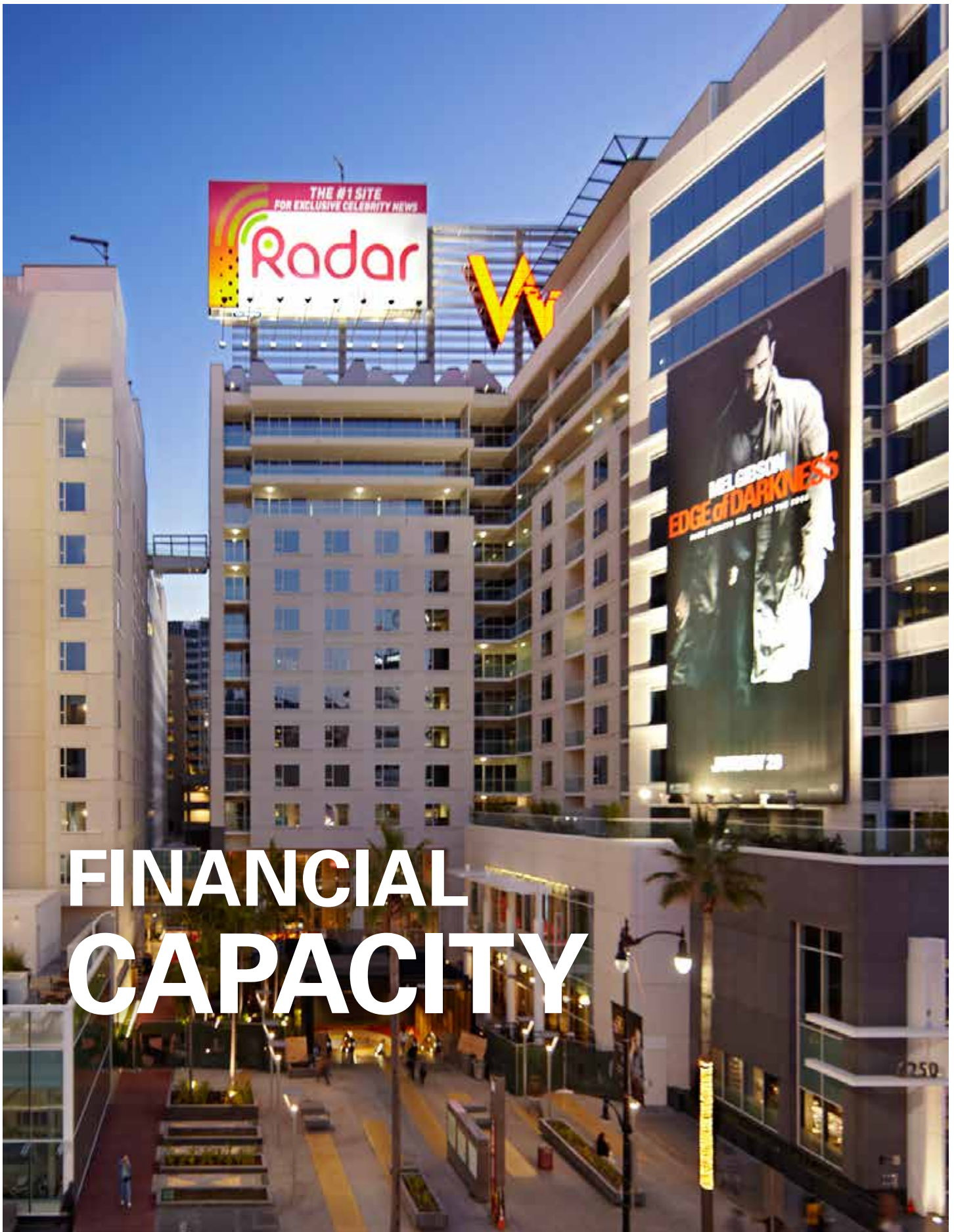
ANTONIO R. VILLARAIGOSA
Mayor

ARV:na



3





FINANCIAL CAPACITY



However, to further support and demonstrate our team's ability to successfully execute the WTC redevelopment project/strategy proposed herein, please see letters below from:

- **Holliday Fenoglio Fowler (HFF)** – one of the largest and most successful real estate capital intermediaries in the country, confirming our team's ability to secure the necessary debt and equity for successful financing of the WTC redevelopment project as proposed herein.
- **Enhanced Capital** – local office of national firm experienced with Tax Credit Finance confirming our team's assumptions for federal and state historic tax credits, and their interest in monetizing the approximately \$75 million in net equity proceeds via their existing network of major investors, subject to official RFP selection by NOBC

A. ABILITY TO ATTAIN LIQUIDITY AND/OR FINANCIAL RESOURCES

As evidenced by the exceptionally strong, proven development track-record of master developer Gatehouse Capital and co-developer Provident Realty Advisors, detailed above, our **W Hotel/WTC redevelopment team clearly possesses the necessary liquidity and financial resources to bring the proposed project to fruition** in the timetable described in Section 1. Confidential financial information and/or additional specific information regarding our team's extensive equity and debt sources are available upon request if needed.



Mr. Marty Collins
President
Gatehouse Capital
1501 Dragon Street, Suite 101
Dallas, TX 75207

April 8, 2013

Dear Mr. Collins,

Thank you again for the opportunity to work with you and your team. We have enjoyed a long and successful relationship with Gatehouse Capital and look forward to our next endeavor. HFF has worked with Gatehouse Capital previously and would welcome the opportunity to raise mezzanine debt financing or joint-venture equity for the development of the W Hotel in New Orleans, Louisiana.

Subject to further underwriting and diligence, HFF believes quality projects like this that exhibit quality sponsors in quality locations are highly financeable today. We would anticipate strong investment interest in a Property such as the development proposed. Most investors today will be seeking levered equity returns in the 22-25% range. This is private high-net-worth or opportunistic institutional capital that are seeking out-sized returns in the hotel space.

Please let us know next steps in the process. We appreciate the opportunity to work with you and will look forward to hearing from you soon.

Best regards,

A handwritten signature in black ink, appearing to read 'John Bourret'.

John Bourret
Managing Director
8401 N. Central Expressway, Suite 700
Dallas, TX 75225
direct 469.232.1962
cell 214.909.9639

ENHANCED CAPITAL FEDERAL HTC LOI



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April 10, 2013

Mr. Marty Collins
Gatehouse Capital
1501 Dragon Street, Suite 101
Dallas, TX 75207

Re: Federal Historic Tax Credits at the World Trade Center

Dear Marty,

Enhanced Capital Advisors, LLC ("ECP") is pleased to provide you or your assignee (the "Project Owner") with this letter of interest ("LOI"), which outlines the general terms and conditions of a proposed investment by ECP or its assignee (hereafter "Fund") in the construction of a facility located at 2 Canal St ("Project") in New Orleans, LA. Except for the obligations set forth in the sections entitled Transaction Costs and Engagements and No Solicitation/Confidentiality below, this LOI does not constitute or create, and shall not be deemed to constitute or create, any legally binding or enforceable obligation on the part of any party and should not be construed as a commitment to provide loans to, or equity investment in, the Project. Should the terms of this LOI be acceptable to you, a formal approval process will be pursued. Please refer to the attached exhibits for additional information and definitions of capitalized terms not otherwise defined herein.

Federal Tax Credits

1. We anticipate the transaction utilizing a master tenant structure. The Fund shall invest in and receive a 99.99% membership interest in the Master Tenant, which in turn may hold a membership interest in the Project Owner. We are anticipating the historic rehabilitation tax credits ("Tax Credits") passed through to the Master Tenant and allocated to the Fund will be [\$36,821,099]. We are assuming that the Project will be placed in service on or prior to December 31, 2015, and therefore 100% of the Tax Credits will be allocated on or by December 31, 2015. Following Admission, the Fund will make investments for the benefit of the Project in the aggregate amount of [\$38,662,153] (the "Capital Contribution") based on a per dollar value of [\$1.05] per Tax Credit allocated to the Fund (the "Tax Credit Price") such that the aggregate Capital Contribution is paid as follows:
 - a. At Admission: 5% of the Capital Contribution
 - b. Following receipt of certification from the Project architect that construction is 95% complete and in accordance with the Part 2 certification and prior to the project being placed in service: 20% of the Capital Contribution
 - c. Following the Project being placed in service, receipt of the Project Cost Certification, confirmation of a debt service reserve of no less than the sum of 6 months debt service payments, receipt of the certified Part 3 application (Form 10-168c): 91% of the Capital Contribution

- d. Following Stabilized Operations, the Fund's receipt of the first K-1 and the first Placed in Service Anniversary: the balance of the Capital Contribution

Each Capital Contribution shall be paid only in the event that all requirements for all prior capital contributions have been met.

2. If the Tax Credits are greater than estimated, then the Fund will contribute additional capital for up to 10% of the originally estimated Tax Credits with its last capital contribution under section 1.
3. If, based on the Project Cost Certification or otherwise, the Fund determines there is a Credit Shortfall of less than 10% and the capital contribution following the Project being placed in service and confirmation of the Tax Credits has not been distributed to the Project Owner, then the next capital contribution shall be adjusted down by the Credit Shortfall times the Tax Credit Price. If based on the Project Cost Certification or otherwise, the Fund determines there is a Credit Shortfall equal to or greater than 10% the Capital Contribution shall be subject to a Shortfall Adjustment.
4. The Project Owner will be responsible for rehabilitating the Project and will triple net lease the Project to the Master Tenant. The master lease between Project Owner and Master Tenant will be subject to the review and approval of the Fund and the Fund's tax counsel. The Master Tenant will be responsible for day-to-day operation of the Project upon completion. The Project Owner and the Master Tenant will be controlled by individuals or entities designated by the current affiliates of the Project Owner. The Project Owner and the managing member of the Master Tenant will also elect to pass through all of the Tax Credits to Master Tenant.
5. The Master Tenant cash flow waterfall will reflect the Fund receiving cash distributions sufficient to generate a five percent internal rate of return for the Fund over the life of the depreciable asset. In order to receive a sufficient allocation of depreciation from the Project Owner such that the Master Tenant's aggregate taxable income over the Compliance Period is less than zero, the Master Tenant will hold a membership interest in the Project Owner. In the event that the projections and structure will not permit the projected income over the Compliance Period to be less than zero, the Project Owner shall make special distributions in addition to the Preferred Return to the Master Tenant annually in an amount equal to the product of: (i) the income allocated to the Master Tenant, and (ii) thirty-five percent (the "Tax Distribution"). The Tax Distribution shall accrue at year-end and shall be payable within the first quarter annually and accrues with interest at the Adjusted Prime Rate if unpaid. The transaction is also subject to the other conditions set forth on Exhibit A and Exhibit B and the definitions as provided in Exhibit C.
6. Beginning one month after the Compliance Period for the Tax Credits and ending twelve months thereafter (the "Put Period"), the Fund shall have the right to put its interest in the Project Owner and Master Tenant to its managing member for any unpaid fees, Preferred Return and Tax Distributions plus the greater of (i) \$100 plus the Fund's exit taxes (on an after-tax basis), or (ii) the Put Price. Beginning after the expiration of the Put Period and continuing for six months thereafter, the Project Owner and Master Tenant managing members shall have the right to buy the Fund's interest in Project Owner and Master Tenant for the greater of (i) \$100 plus the Fund's exit taxes (on an after-tax basis), or (ii) the fair market value of Fund's interest in the Project Owner and Master Tenant determined by an independent appraiser selected by the Project Owner.
7. Master lease shall remain in place for no less than the twelve months following the Put Period.

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Recapture of Credits

8. If there is a recapture or other loss of the Tax Credits to the Fund including failure to qualify after any Capital Contribution, non-compliance, or adjustment or disallowance by the Internal Revenue Service, the Project Owner will be required to compensate, on demand, ECP, the Fund, and any investor in the Fund, in an amount sufficient on an after-tax basis to cover any lost Tax Credits, and any interest, penalties or increased taxes payable and any expenses incurred by any such party as a result of the recapture or other loss and the net benefit of any other economic or tax benefit that would have been received by ECP, the Fund and any investor in the Fund had the recapture not occurred. Any delay in payment shall bear interest at the Adjusted Prime Rate.

Guarantee and Indemnification

9. The Transaction Parties shall provide financial statements as requested by the Fund.
10. Managing member of the Master Tenant and other Guarantors (or collectively the "Guarantor") acceptable to ECP and the Fund in their sole discretion will guarantee the Transaction Parties' obligations to ECP and the Fund. Those guarantees include: (i) an operating deficit guaranty¹ requiring the advancement of funds needed to cover all operating deficits, including payment of Tax Distributions, Priority Return and any other amounts due ECP and the Fund; (ii) a development completion guaranty of the lien-free completion of the Project, closing of the permanent loan, and payment of excess development costs; and (iii) a guarantee of the Project Owner's and their managing members' obligations to the Fund, its investors and ECP (other than payment of the Preferred Return).
11. The Transaction Parties and the Guarantor will also execute indemnification agreements, which shall indemnify and provide defense for ECP, the Fund and its investors and their respective officers, directors, managing members and affiliates for (i) any environmental issues related to the Project, and (ii) any untrue statement of a material fact or omission to state a material fact necessary to make any statements, in light of the circumstances under which they were made, not misleading, by the Transaction Parties or their respective agents set forth in any document delivered by the Transaction Parties or their respective agents in connection with the acquisition, development, ownership or operation of the Project, the investment by the Fund in the Project, the execution of the Transaction Documents, or ECP's or Fund's exercise of any rights under the Transaction Documents. Before being admitted as a member of the Master Tenant, the Fund shall receive evidence that any identified environmental hazards have been fully abated, or that there is an approved plan in place for remediation to be handled in a manner satisfactory to the Fund.
12. The Transaction Documents will include a right, but not the obligation, of affiliates of the managing member to cure defaults on behalf of the managing member.

¹ Operating deficit guaranty shall be unlimited through Stabilized Operations and, upon achieving Stabilized Operations, in an amount equal to 12-months of both operating expenses and debt service as of Stabilized Operations date. Beginning on the third anniversary of the Stabilized Operation date, the operating deficit guarantee amount shall decrease by 20% on each anniversary of the Stabilized Operation date but not below 40% of the operating deficit guaranty amount upon achieving Stabilized Operation. Project Owner and Guarantor shall be responsible for financing any operating deficits, should they occur. If Project Owner and Guarantor fails to provide operating deficit financing, the Fund shall have the option of replacing the managing member of both the Master Tenant and Project Owner.

13. The Fund, in its sole discretion, may elect to limit the guarantee as detailed under the Guarantee and Indemnification section.
14. If the Fund is not admitted as a member of the Project Owner prior to the earlier of 45 days after the acceptance of this letter or before the Project is placed in service, the Fund may Terminate the Transaction for any reason.

Obligations

15. The Project Owner's managing member will cause the Project to maintain liability, property, and casualty, business interruption, federal credit insurance (unless otherwise agreed), and other customary insurance in force from a highly rated insurer in amounts adequate to protect ECP's and the Fund's interests and otherwise reasonably satisfactory to the Fund. All such insurance policies are to show ECP and the Fund as additional named insureds.
16. Immediately upon execution of this LOI, the Fund and its advisors shall have full access to all information pertaining to the Project in order to permit the Fund to perform and complete its due diligence review of the Project and proposed transaction. Transaction Parties, Guarantor and their affiliates shall reasonably cooperate with the Fund in facilitating the Fund's examination of the Project, the proposed transaction and all relevant documentation in the possession or control of the Transaction Parties and/or Guarantor. The Transaction Parties shall provide financial statements as requested by the Fund. The Transaction Parties and Guarantor will also provide certain financial, operating, and compliance information to ECP or the Fund, including all information provided to any lender to the Project, any owner or investor in the Project, or from any governmental agency concerning the Project at the same time any such reports are provided to or received from those entities. The managing member will also deliver to ECP by the 20th day after the end of each of the first three calendar quarters all financial and operating information reasonably requested by ECP, including the Project Owner's and/or Master Tenant's financial statements. The quarterly financial information may be unaudited but certified by the Project Owner. The managing member will deliver independently (i) prepared and certified by the Project Accountant, all final tax returns and such other information related to the preparation of the Fund tax returns as requested by ECP in advance no later than 45 days after the fiscal year end of each of the Transaction Parties and (ii) audited financial statements for the Transaction Parties prepared in accordance with GAAP or tax basis and certified by the Project Accountant no later than 90 days after the fiscal year end of each of the Transaction Parties. Any delay in the delivery of the information required to be delivered shall result in a delivery delay fee due to the Fund of \$150 per day for each day after the due date that the required report has not been delivered. Additionally, to the extent not otherwise required, the Transaction Parties and Guarantor will deliver to ECP and the Fund an annual investor compliance certificate satisfactory to ECP along with the tax materials and a compliance certificate as such other times as ECP may reasonably request.
17. The managing member shall also cause all loan agreements and other agreements associated with the Project to provide a copy of any notice of default, foreclosure or other adverse action by the lender, its representatives or assigns, whether taken or threatened, shall be delivered as promptly as possible to Master Tenant, the Fund and ECP.
18. Any financing agreements will include a non-disturbance agreement (as approved by ECP) for the lease with the Master Tenant unless otherwise agreed. All financing agreements, including refinancing agreements and sales of the Project, shall be required to receive written approval by

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ECP and Fund. In the event that the Project Owner is approved for a refinancing or a sale of the Project, the Master Tenant shall have a right to 30% of proceeds arising from any refinance or sale of capital assets by the Project Owner.

19. The Project Owner will be responsible for covering the annual tax preparation costs of the Fund.

No Solicitation/Confidentiality

20. ECP and the Fund will forego opportunities and incur expenses while working on this transaction. We will do that if we have the exclusive right to acquire the Tax Credits anticipated to be qualified for by the Project while this agreement is in effect. The exclusive right means that you will not engage in or will terminate any further negotiations with other parties concerning the Tax Credits and will terminate and not enter into any letter of interest or other agreements concerning such Tax Credits. You also agree that you currently have not entered into any other commitment or letter of interest with respect to the Tax Credits, to negotiate in good faith and to keep all information provided by us, including this commitment letter, confidential and to not disclose such information without written consent of ECP; provided that you may disclose such information to your advisors if such persons agree to these confidentiality restrictions. This confidentiality obligation will survive termination of this agreement and execution of the Transaction Documents.

Transaction Costs and Engagements

21. ECP will have the right to select a Project Accountant for the Project, and Project Accountant shall be impartial in receiving and incorporating comments from both the Project Owner and The Fund. The Project Owner's managing member, or an affiliate thereof, shall be responsible for payment of all reasonable third-party fees and expenses associated with the Fund's proposed investment the Project except for the Fund's legal counsel, even if the investment does not close. Expenses shall include, but are not limited to, the accounting fees, including those fees incurred by Project Accountant. The Project Owner's managing member will not be responsible for any additional costs of the Fund or ECP in connection with its due diligence and Admission except as otherwise provided. The Closing Costs are due and payable at the time of Admission or otherwise when due.
22. The Project Owner's managing member will pay all other expenses associated with the Fund's investment in the Master Tenant or Project Owner, as the case may be, including title insurance, environmental reports, and permanent loan fees, other than Fund's and ECP's legal counsel and accountant except as provided above. Neither ECP nor the Fund shall be responsible for the payment of any brokerage fees or similar expenses in connection with the Fund's investment in the Project, and that any and all fees due to any broker involved in this transaction will be the responsibility of the Project Owner's managing member.
23. This LOI may be executed in any number of counterparts, each of which shall be deemed an original as against any party who signed such counterpart, and all of which together constitute one and the same instrument.

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24. This LOI is based on representations and information provided by you. Any changes may result in adjustments to this offer. No oral agreement shall ever be binding on ECP or the Fund. This LOI does not constitute an agreement, commitment or guarantee the ability of ECP or the Fund to consummate a financing with respect to the Project, and ECP and the Fund shall not be liable for any damages, direct, consequential or otherwise, to the extent the Project does not obtain financing.
25. It is the Project Owner's, the Fund's and the managing member's intention that for federal income tax purposes (i) the Master Tenant and the Project Owner shall be treated as partnerships, (ii) the Fund be treated as a partner in the Master Tenant and the Master Tenant be treated as a partner in the Owner, and (iii) the Fund's contribution to the Master Tenant be treated as capital contributions. To the extent that the IRS provides guidance or other authoritative guidance becomes available and advisors for the Fund and managing member determine in good faith that modifications to these terms or the definitive documents are desirable to comply with such guidance, the parties agree to discuss and negotiate such modifications.
26. The obligation of the Fund to close on the investment described herein is subject to satisfaction or written waiver by the Fund of the following condition(s) (the "Conditions Precedent"): (i) satisfactory due diligence review the Project and proposed transaction; and (ii) the Fund, Transaction Parties and Guarantor entering into and executing such transaction documents necessary to consummate the Transaction, including, without limitation, a membership interest purchase agreement (the "Transaction Documents"). Closing (the "Closing") of the transaction contemplated by this LOI will occur promptly following the satisfaction or written waiver by the Fund of the Conditions Precedent and the execution of the Transaction Documents.

[Remainder of this page intentionally left blank]

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We greatly appreciate your interest in working with ECP. If the terms and conditions of this letter are acceptable to you, please sign and return to our New Orleans office at:

201 St. Charles Avenue; Suite 3700
New Orleans, LA 70170

This proposal is valid until April 11th of 2013, unless countersigned by you and returned to us within such time. The proposal outlined above is contingent upon, and valid through the projected closing date of December 31st of 2013, but not later than December 31st of 2013.

ENHANCED CAPITAL ADVISORS, LLC
By: Enhanced Capital Partners, Inc. its sole member

By: Richard Montgomery

Its: Director of Tax Credit Services

Accepted and Agreed to this ____ day of _____, 20____

GATEHOUSE CAPITAL

By: Marty Collins

Its: President/CEO

If the above is acceptable, please sign and return to the undersigned's attention a copy of this agreement. Upon receipt, as promptly as possible, we will provide you with an information request to start due diligence.

There are many details of this investment to work out, and the purpose of this letter is to generally describe certain terms of the investment the Fund is considering and does not create any liability on the part of ECP or the Fund. These terms are subject to change upon the completion of due diligence, and as may be required pursuant to Fund's investment standards as may be in effect from time to time, along with other factors relevant to making an investment decision. This letter does not represent or imply an offer to invest and is not a commitment to invest, and no commitment to invest will exist prior to the negotiation and execution of mutually satisfactory Transaction Documents. ECP or the Fund reserves the right to terminate the transaction for any reason. No oral agreement shall ever be binding on ECP or the Fund. This letter does not survive the execution and delivery of the Transaction Documents and the closing of the transaction except as otherwise provided.

Exhibits A—Cash Flow, B-Additional Conditions and C-Definitions are attached to this letter and are to be considered part of it.

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Exhibit A — Cash Flow

The Master Tenant will provide Preferred Return and Tax Distributions to the Fund unless otherwise agreed:

Cash Flow Split at Master Tenant. Excess cash flow (cash flow after approved operating expenses) shall be distributed as follows.

- (i) Any amounts due to the Fund as a result of any unpaid Tax Credit adjustments or indemnity.
- (ii) Any unpaid tax reimbursement and related amounts due the Fund as a result of its ownership position in Master Tenant.
- (iii) Any unpaid Preferred Return and Tax Distributions.
- (iv) Any other amounts due ECP or the Fund.
- (v) To maintain operating reserves required under any mortgage or otherwise.
- (vi) Any unpaid management fee due the Master Tenant's manager.
- (vii) To the Master Tenant's manager or any affiliate to repay any loans to the Master Tenant, including loans for operating deficits.
- (viii) Any incentive management fee due the Master Tenant's manager, if applicable (subject to the approval of the Funds tax counsel).
- (ix) For any unpaid deferred development fee assumed by the Master Tenant.
- (x) The balance 0.01% to the Master Tenant's manager and 99.99% to the Fund.

Capital Proceeds Split at Master Tenant. Any proceeds upon sale of the Project in part of whole, or from excess proceeds from refinancing the Project in part of whole, shall be distributed as follows.

- (i) Any amounts due the Fund as result of any unpaid Tax Credit adjustments or indemnity.
- (ii) To fund reasonable reserves for contingent liabilities with the consent of the Fund.
- (iii) Any unpaid tax reimbursement and related amounts due the Fund, including any taxes arising from a sale.
- (iv) Any unpaid Preferred Return and Tax Distributions (including interest thereon).
- (v) For any unpaid deferred development fee assumed by the Master Tenant.
- (vi) To the Master Tenant's manager or any affiliate to repay any loans to the Master Tenant, including loans for operating deficits.
- (vii) Any unpaid management fee due the Master Tenant's manager.
- (viii) To the return of adjusted Capital Contribution.
- (ix) The balance shall be distributed 0.01% to the Master Tenant's manager and 99.99% to the Fund.

Cash Flow Split at Project Owner. Excess operating cash flow (cash flow after approved operating expenses and required reserves) shall be distributed first to pay any approved deferred developer fee and then in accordance with the ownership interests. Proceeds from any sale or refinancing of the Project in part or in whole (after approved expenses and required reserves) shall be distributed first to pay any approved deferred developer fee and then 30% to the Master Tenant and 70% to the other members of the Project Owner as provided by the Project Owner operating agreement.

[Remainder of this page intentionally left blank]

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Exhibit B — Other Conditions

1. Except as otherwise provided in Exhibit A, profits and losses (including depreciation) of the Project Owner shall be allocated to its members in accordance with their respective ownership interests.
2. Developer fee shall not exceed 20% of the qualified rehabilitation expenditures excluding developer fee. Any deferred developer fee will be subject to tax counsel, ECP and Fund approval.
3. Any state tax credits qualified for by the Project shall be allocated to the managing member for sale by it unless otherwise agreed.
4. Firm commitment for fixed-rate permanent financing with terms, conditions and lender acceptable to ECP and Fund.
5. Permanent financing shall have a term greater than the Compliance Period.
6. Receipt of other sources of financing, including grants, abatements and state credit equity, if any, as approved by ECP and Fund.
7. Receipt, review and approval by ECP and Fund of appraisal, environmental and geological reports, plans and specs, acceptable local and tax legal opinions and such other conditions that are customary and reasonable for an equity investment of this nature and amount. ECP and/or the Fund may, in their sole discretion, waive their right to receive, review and approve any required documentation.

[Remainder of this page intentionally left blank.]

Exhibit C — Definitions

Defined Terms. In addition to the definitions of terms set out in this letter, the following capitalized terms used in this letter shall have the meanings specified below.

"Adjusted Prime Rate" means the greater of eight percent (8%) or the annual prime rate as published in the Wall Street Journal plus three percentage points. Such interest shall be compounded monthly.

"Admission" means the date upon which the Fund acquires its ownership interest in and is admitted to the Master Tenant and Project Owner and all related transactions are completed.

"Closing Costs" The Project Owner will be responsible for any additional costs of the Fund or ECP (i) associated with HUD or other governmental financing or ongoing compliance, (ii) any legal opinion provided by counsel to the Fund or ECP and (iii) attributable to the actions, or failure to act, by the Project Owner, managing member or either of their agents in connection with the due diligence, Admission or otherwise.

"Compliance Period" means a five-year period beginning on the date the Project is placed in service and extending beyond the five-year tax credit recapture period for the Tax Credits.

"Credit Shortfall" means either (i) the difference in the gross amount of the Tax Credits anticipated by this letter to be allocated to the Fund less the gross amount of the Tax Credits allocated to the Fund, (ii) a delay of more than 3 months attainment of Stabilized Operations, or (iii) both.

"Master Tenant" is a to-be-formed limited liability company, having a to-be-determined managing member (a single-asset, single-purpose entity), with 0.01% ownership interest, and the Fund (or its designee or affiliate) as member with a 99.99% ownership interest. The Master Tenant may also hold an ownership interest in the Project Owner.

"Placed in Service Anniversary" or collectively: "Placed in Service Anniversaries" means each of the four anniversary dates of the date the Project was placed in service thereafter.

"Preferred Return" is an annual amount equal to three percent (3.0%) of the funded Capital Contribution at year end, beginning in the year of Admission. This return shall accrue at year-end and shall be payable within the first quarter annually and accrues with interest at the Adjusted Prime Rate if unpaid.

"Project Accountant" means an independent certified public accountant with significant experience with projects that have utilized Section 47 of the Internal Revenue Code in the project financing, acceptable to ECP and the Fund.

"Project Cost Certification" is a report of the rehabilitation Project costs for the Project eligible for the Tax Credits prepared and certified by Project Accountant, which report is acceptable to ECP and the Fund.

"Project Owner" is a to-be-formed limited liability company that shall own the Project (a single-asset, single-purpose entity).

"Put Price" is any unpaid amounts due the Fund, including any unpaid Preferred Return, Tax Distributions and any exit taxes due as referenced in section 6 plus 20% of the aggregate Capital Contribution.

"Shortfall Adjustment" means: (i) first, to the extent, any piece of the Capital Contribution has not been distributed from the Fund, the next payment is permanently reduced (starting with the payment due) by the amount of the shortfall adjustment (as provided below); and (ii) second, any such adjustment amount in excess of the Capital

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Contribution otherwise due, shall be immediately refunded. The amount of the Shortfall Adjustment in the case of a reduction of the Capital Contribution equals the product of (a) the Credit Shortfall and (b) 110% of the Tax Credit Price. The amount of the Shortfall Adjustment in the case of repayment of Capital Contribution equals (i) the product of (a) the Credit Shortfall and (b) 110% of the Tax Credit Price, as the case may be, plus (ii) any interest from the date any Capital Contribution is to be refunded at a rate equal to Adjusted Prime Rate through the date of repayment.

Shortfall Adjustment also means with respect to the timing of the delivery of any of the Tax Credits in the event that (i) the Tax Credits cannot be claimed as assumed (as determined by the Project Accountant), (ii) Project has not achieved Stabilized Operations as assumed or (iii) both, the Tax Credit Price shall be reduced by 3.0% of the initial Tax Credit Price and an additional 3.0% of the initial Tax Credit Price for each three month period thereafter that the Tax Credits cannot be claimed or the Project has not achieved Stabilized Operations, as the case may be.

"Stabilized Operations" means the later of six months following the Project being placed in service or (i) the Master Tenant has funded an operating reserve available for operations of the Master Tenant in the amount equal to at least 6 months of Project operating expenses; (ii) for six of nine consecutive months the operating revenues of the Project equal or exceed operating expenses and debt service payments and the Project has maintained a debt coverage ratio of at least 1.25 to 1; (iii) the Project has achieved at least an 93% occupancy with leases acceptable to ECP; (iv) the Project has closed on permanent financing that matures after the expiration of the recapture period and at such closing the senior debt has a loan to value ratio of no more than 75%; (v) the Project has provided documentation to the Master Tenant and ECP supporting the fact that the permanent financier may not foreclose on the Project; and, (vi) the Project has received funds from all grants and other sources of financing and met all conditions necessary to receive all abatements.

"Tax Credits" means Federal Historic Rehabilitation Tax Credits authorized in Section 47 of the Internal Revenue Code arising with respect to the Project.

"Transaction Documents" means the Project Owner operating agreement, master lease, amended and restated Project Owner operating agreement, credit pass-through agreement, option agreement, guaranty, indemnification and related agreements.

"Transaction Parties" means collectively the Project Owner, the Master Tenant their respective managers and any affiliates.



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April 10, 2013

Mr. Marty Collins
Gatehouse Capital
1501 Dragon Street, Suite 101
Dallas, TX 75207

Re: State Historic Tax Credits at the World Trade Center

Dear Marty,

Enhanced Capital Advisors, LLC ("ECP") is pleased to provide you (the "Seller" or "Managing Member") with this letter of interest ("LOI"), which outlines the general terms and conditions of a proposed purchase by ECP or its assignee (hereafter "Fund") of the State Tax Credits anticipated to be generated in connection with the rehabilitation and adaptive re-use of the building located at 2 Canal St ("Project") in New Orleans, LA. Except for the obligations set forth in the sections entitled Transaction Costs & Engagements and No Solicitation/Confidentiality below, this LOI does not constitute or create, and shall not be deemed to constitute or create, any legally binding or enforceable obligation on the part of any party and should not be construed as a commitment to purchase tax credits from, provide loans to, or provide an equity investment in, the Project. Should the terms of this LOI be acceptable to you, a formal approval process will be pursued. Any commitment would come at a later date, and the terms described herein are subject to change and legal review by the Fund's counsel.

We understand that you are rehabilitating the Project and anticipate qualifying for State Tax Credits. ECP will purchase the Credits with the intent to sell the Credits to an end user(s). This LOI outlines the proposed terms upon which the Fund would be willing to purchase the Credits. Please refer to the attached exhibit for additional information and definitions of capitalized terms.

State Tax Credits

State Tax Credit Transaction Structure. Once the following requirements (the "Requirements") are met: (1) the Project has been placed in service, (2) receipt by the Fund of the state certified copy of the Part 3 – Request for Project Certification Application from the Louisiana Historic Rehabilitation Commercial Tax Credit Application, and (3) a written Tax Credit Transfer Certificate evidencing the assignment and transfer of the Tax Credits from Seller to the Fund, the Fund shall deliver immediately available funds by wire transfer of US Dollars to the Sellers as provided by the Sellers wire instructions based on the product of \$0.80 per Credit ("State Tax Credit Price") and the total amount of Credits assigned to the Fund (the product equals "State Purchase Price"). We are anticipating the total State Tax Credits sold to the Fund will be \$46,030,977 ("Estimated Credits") for a combined State Purchase Price totaling \$36,824,781. We are assuming that the Project will deliver 100% of the State Tax Credits by December 31, 2015.

If the State Tax Credits are greater than the Estimated Credits, the Fund will have the first right of refusal for any additional Credits. If, based on the Project Cost Certification or otherwise, ECP or the Fund determines there is a Credit Shortfall, then the State Purchase Price shall be subject to a Shortfall Adjustment. If the Project does not qualify for State Tax Credits prior to any State Purchase Price being paid, then ECP or the Fund may Terminate the Transaction.

Responsibilities of the Seller. The Seller will be responsible for rehabilitating the Project, placing the property in service and receiving a Project Cost Certification that is subject to the approval of the Fund in its sole discretion. The Seller agrees to transfer, sell or assign to the Fund all of its right, title and interest in and to the Estimated Credits

ENHANCED CAPITAL STATE HTC LOI

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in each case granting full power to the Fund to use the Estimated Credits and to effect, in the name of the Fund all legal rights as Seller may have with respect to the State Tax Credits being sold to the Fund.

Recapture of credits. If after the State Purchase Price is paid there is a recapture or other loss of the Credits to the Fund, including failure to qualify, non-compliance, or adjustment or disallowance by the Internal Revenue Service or the Louisiana Department of Revenue or the Louisiana Historic Preservation Office, the Seller will be required to compensate, on demand, ECP, the Fund, and any investor in the Fund, in an amount sufficient on an after-tax basis to cover any lost Credits, and any interest, penalties or increased taxes payable and any expenses incurred by any such party as a result of the recapture or other loss and the net benefit of any other economic or tax benefit that would have been received by ECP, the Fund and any investor in the Fund had the recapture not occurred. Any delay in payment shall bear interest at the Adjusted Prime Rate.

No Solicitation/Confidentiality. ECP and the Fund will forego opportunities and incur expenses while working on this transaction. We will do that if we have the exclusive right to acquire the Credits anticipated to be qualified for by the Project while this agreement is in effect. The exclusive right means that you will not engage in or will terminate any further negotiations with other parties concerning the Credits and will terminate and not enter into any letter of interest or other agreements concerning such Credits. You also agree that you currently have not entered into any other commitment or letter of interest with respect to the Credits, to negotiate in good faith and to keep all information provided by us, including this commitment letter, confidential and not disclose such information without the consent of ECP; provided that you may disclose such information to your advisors if such persons agree to these confidentiality restrictions. This confidentiality obligation will survive termination of this agreement and execution of the Transaction Documents.

Transaction Costs and Engagements. The parties hereto shall each bear their own costs in connection with this transaction; provided, however, that neither ECP nor the Fund shall be responsible for the payment of any brokerage fees or similar expenses in connection with the Fund's investment in the Project, and that any and all fees due to any broker involved in this transaction will be the responsibility of the Seller.

This LOI is based on representations and information provided by you. Any changes may result in adjustments to this offer. No oral agreement shall ever be binding on ECP or the Fund. This LOI may be executed in any number of counterparts, each of which shall be deemed an original as against any party who signed such counterpart, and all of which together constitute one and the same instrument.

[Remainder of this page intentionally left blank.]

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We greatly appreciate your interest in working with ECP. *If the terms and conditions of this letter are acceptable to you, please sign and return to our New Orleans office at:*

201 St. Charles Avenue; Suite 3700
New Orleans, LA 70170

This proposal is valid until April 15, 2013, unless countersigned by you and returned to us within such time. The proposal outlined above is contingent upon a, and valid through the projected closing date of December 31, 2013.

ENHANCED CAPITAL ADVISORS, LLC

Its: Director of Tax Credit Services

By: Richard Montgomery

Accepted and Agreed to this ____ day of _____, 20____

GATEHOUSE CAPITAL

By: Marty Collins

Its: President/CEO

If the above is acceptable, please sign and return to the undersigned's attention a copy of this agreement. Upon receipt, as promptly as possible, we will provide you with an information request to start due diligence.

There are many details of this investment to work out, and the purpose of this letter is to generally describe certain terms of the investment the Fund is considering and does not create any liability on the part of ECP or the Fund. These terms are subject to change upon the completion of due diligence, and as may be required pursuant to Fund's investment standards as may be in effect from time to time, along with other factors relevant to making an investment decision. This letter does not represent or imply an offer to invest and is not a commitment to invest, and no commitment to invest will exist prior to the negotiation and execution of mutually satisfactory Transaction Documents. ECP or the Fund reserves the right to terminate the transaction for any reason, which may include a general lack of interest by the Fund's investors prior to the execution of mutually satisfactory Transaction Documents. No oral agreement shall ever be binding on ECP or the Fund. This letter does not survive the execution and delivery of the Transaction Documents and the closing of the transaction except as otherwise provided.

Exhibit A-Definitions are attached to this letter and are to be considered part of it.

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Exhibit A — Definitions

Defined Terms. In addition to the definitions of terms set out in this letter, the following capitalized terms used in this letter shall have the meanings specified below.

"Adjusted Prime Rate" means the annual prime rate as published in the Wall Street Journal plus three percentage points. Such interest shall be compounded monthly.

"Credits" means the State Tax Credits.

"Credit Shortfall" means either (i) the difference in the gross amount of the Estimated Credits less the gross amount of the State Tax Credits actually allocated to the Fund; or, (ii) a delay of more than 1 month in the delivery of the State Tax Credits.

"Project Accountant" means an independent certified public accountant with significant experience with Federal Historic Rehabilitation Tax Credit Program, acceptable to ECP and approved by the Fund's investors.

"Project Cost Certification" is a report of the rehabilitation costs for the Project eligible for the Credits prepared and certified by Project Accountant, which report is acceptable to ECP.

"Shortfall Adjustment" means: (i) first, to the extent, there are any unfunded portions of the total State Purchase Price, they are permanently reduced (starting with the next State Purchase Price due) by the amount of the shortfall adjustment (as provided below); and (ii) second, any such adjustment amount in excess of the State Purchase Price otherwise due, shall be immediately refunded. The amount of the Shortfall Adjustment in the case of a reduction of the State Purchase Price equals the product of (a) the Credit Shortfall and (b) 100% of the State Tax Credit Price as the case may be. The amount of the Shortfall Adjustment in the case of repayment of the State Purchase Price equals (i) the product of (a) the Credit Shortfall and (b) 110% of the State Tax Credit Price, as the case may be, plus (ii) any interest from the date of the paid State Purchase Price is to be refunded at a rate equal to Adjusted Prime Rate through the date of repayment.

Shortfall Adjustment also means with respect to the timing of the delivery of any of the Credits in the event that the Credits cannot be claimed as assumed (as determined by the Project Accountant), the State Purchase Price shall be reduced by 3.0% of the initial State Purchase Price and an additional 3.0% of the initial State Purchase Price for each three month period thereafter that the State Tax Credits cannot be claimed.

"State Tax Credits" means the State historic rehabilitation tax credit allowed pursuant to §6019 under Title "Revenue and Taxation".

"Transaction Documents" means all operating agreements, master lease, amended and all restated operating agreements, credit assignment, sale or pass-through agreement, option agreement, guaranty, indemnification and related agreements, as the case may be

"Transfer Certificate" means a written certificate evidencing the assignment and transfer of the Tax Credits from Seller to the Fund.

B. CORRESPONDENCE FROM A SURETY COMPANY QUALIFIED TO DO BUSINESS IN LOUISIANA

Please see the following letter from Chubb/Federal Insurance Company confirming its ability to bond the entire construction cost of the W Hotel/WTC redevelopment project for White Construction Company. As stated in the letter, Chubb/Federal Insurance Company has underwritten bonds for White over the past several years for single jobs up to \$200 million, with an overall program well in excess of \$400 million.

CHUBB GROUP SURETY LETTER



CHUBB GROUP OF INSURANCE COMPANIES

2001 Bryan Street, Suite 3400, Dallas, TX 75201-3068
Phone: (214) 754-8547 : Fax: (214) 754-8295

FEDERAL INSURANCE COMPANY

April 4, 2013

Gatehouse Capital Corp / Provident Realty Advisors, Inc.
1501 Dragon Street, Suite 101
Dallas, Texas 75207

Re: Charles N. White Construction Company
Project: World Trade Center – New Orleans

To Whom It May Concern:

Federal Insurance Company, an A++ rated surety with a \$1,252,279,000 treasury listing is pleased to share our fine experience with Charles N. White Construction Company.

Federal Insurance Company has been engaged in the surety program of Charles N. White Construction Company for the past several years. During that time we have underwritten bonds for single jobs up to \$200 million with an overall program well in excess of \$400 million.

As Surety, we acknowledge the ability to bond the entire construction cost of the project for Charles N. White Construction Company, with an estimated contract amount of \$200,000,000.

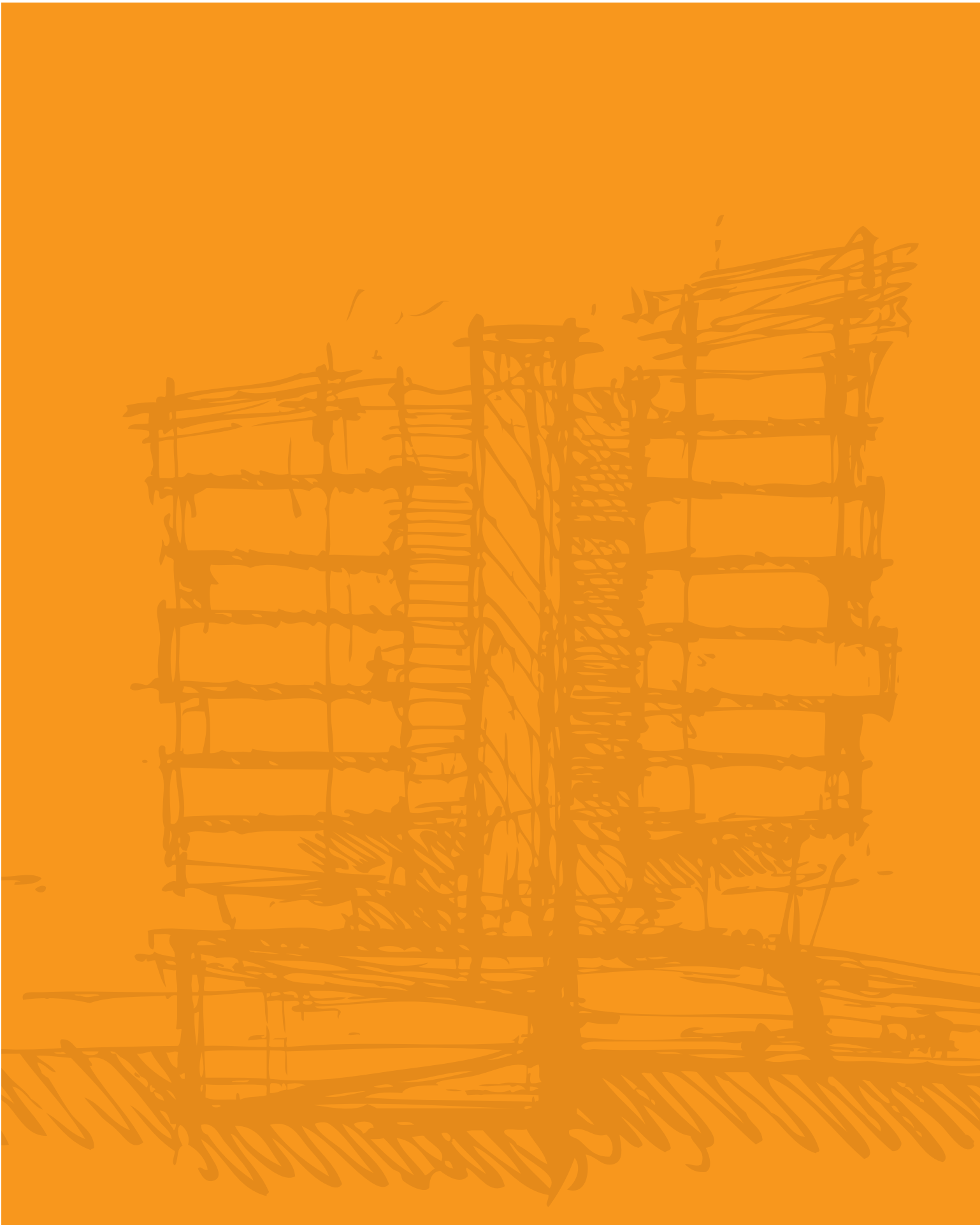
This letter is not an assumption of liability and is issued only as a prequalification reference request from our client, attesting to their strong financial security and stability, which again is excellent. It should be understood that any arrangement for bonds is strictly a matter between Charles N. White Construction Company and Federal Insurance Company. The contact info for the bonding company is:

Chubb Insurance dba Federal Insurance Company
John Lenheiser, Regional Director
2001 Bryan Street, Suite 3400, Dallas, TX 75201
Ph: 214-754-8276.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'William D. Baldwin'.

William D. Baldwin
Attorney-in-Fact, Federal Insurance Company

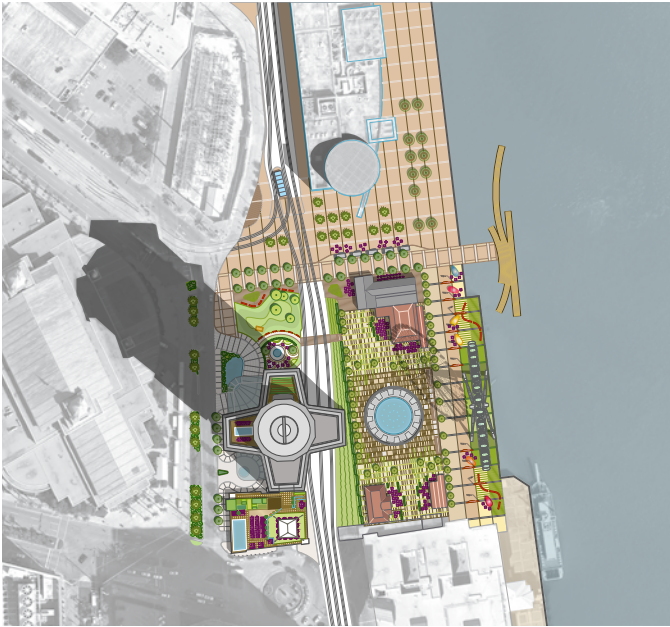


4





FINANCIAL FEASIBILITY



A. MARKET ANALYSIS

NEW, MODERN 245-ROOM W HOTEL AT THE WTC

If the City is going to successfully reach its overriding tourism goal of increasing annual visitors from 9 million today to nearly 14 million by 2018, then it must dramatically increase the younger leisure visitor demographic as stated in the Tourism Master Plan report and explained in detail above. In addition, 5 million new, additional visitors to New Orleans will clearly require major additional hotel room supply in the downtown market to accommodate this significant growth. We believe our new 245-room flagship W Hotel achieves both of these major objectives in a unique, powerful and compelling way. The new W Hotel at the WTC will be a major new destination attraction in and of itself for the younger, upscale, fashionable demographic across the country, and will fill an underserved niche in the local hotel market. New Orleans already has plenty of traditional, older luxury hotel products such as the Windsor Court, the Ritz Carlton, the Roosevelt, etc. New Orleans also already has a very large number of mass-market, convention-style hotels such as the Hilton, the Marriott, the Hyatt, etc. What New Orleans is really missing relative to other competing

markets across the country is a major, destination luxury lifestyle hotel that speaks directly to the younger, hip leisure demographic. As stated earlier, the new best-in-class W Hotel at the WTC would not just be another hotel downtown; it would make a powerful national splash and would help put the entire City of New Orleans on the radar of coveted upscale leisure travelers and younger, fashionable visitors around the country when making their vacation decisions, as proven by the newer, modern and highly impactful W Hotel and Residential projects in Hollywood, Dallas, Austin, Miami, and other leading markets around the world.

Based upon the substantial industry expertise and hands-on local market knowledge/track-record of W Hotels/Starwood Hotels and Resorts Worldwide and the national industry expertise of Gatehouse Capital, we are highly confident in our in-depth market analysis to support the W Hotel operating projections included in this RFP. We have completed a tremendous amount of due diligence and advanced planning prior to RFP submittal, including highly detailed floor plans and specific W Hotel operating plans for all aspects of the project including Back of House needs, guest needs, public space needs, restaurant/bar/entertainment venue needs, etc. Based on this substantial work, we have executed a formal term sheet and LOI with Starwood as our brand and operating partner in this project. W Starwood is highly confident and excited about the New Orleans market opportunity and specific development plan for our new flagship 245-room W Hotel at the WTC proposed herein. The following local market analysis was completed by our experienced team to support our pro forma operating projections for the new W Hotel at the WTC.

Hotel Market Analysis

	Actual 2011	Actual 2012	Projected 2013	Projected 2014	Projected 2015	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020
Market Occupancy	74.6%	73.3%	75.3%	71.6%	71.6%	70.7%	70.7%	70.7%	70.7%	70.7%
Total Occupied Rooms	866,299	840,852	887,852	844,323	844,323	900,317	897,794	897,826	897,826	900,317
Change in Demand	0.8%	-2.9%	5.6%	-4.9%	0.0%	6.6%	-0.3%	0.0%	0.0%	0.3%
Market ADR USD	150.76	170.79	182.75	182.75	191.88	199.56	205.55	211.71	218.06	224.60
Change in ADR	3.9%	13.3%	7.0%	0.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%
Market RevPAR USD	112.49	125.21	137.54	130.80	137.34	141.18	145.41	149.78	154.27	158.90
Change in RevPAR	4.9%	11.3%	9.8%	-4.9%	5.0%	2.8%	3.0%	3.0%	3.0%	3.0%
Hotel Fair Share	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
						7.0%	7.0%	7.0%	7.0%	7.0%
Hotel Occupancy						63.0%	68.0%	74.0%	74.0%	74.0%
Penetration						89.0%	96.1%	104.6%	104.6%	104.6%
Hotel ADR USD						222.00	233.00	245.00	252.00	260.00
Penetration						111.2%	113.4%	115.7%	115.6%	115.8%
Change in ADR						5.0%	5.0%	5.2%	2.9%	3.2%
Hotel RevPAR USD						139.86	158.44	181.30	186.48	192.40
Penetration						99.1%	109.0%	121.0%	120.9%	121.1%
Change in RevPAR						13.3%	13.3%	14.4%	2.9%	3.2%

Response to Request for Proposal
W New Orleans WTC

280 NEW LUXURY RESIDENTIAL APARTMENTS AT THE WTC

As explained above, the 280 new luxury apartments and amenities at the WTC will set a new standard of excellence in New Orleans, will cater to a younger, upscale demographic consistent with the W Hotel style below, and will add tremendously to the vitality and strength of the Riverfront by activating this neighborhood with new, dynamic residents and providing a valuable captive audience that will utilize local services and continue to demand an improving quality of amenities and redevelopment in the surrounding area.

As you are likely aware, the downtown New Orleans luxury apartment market is extremely strong with nearly 100% stabilized occupancy and market-rate rents averaging in excess of \$2 per square foot. We have conducted extensive market analysis to confirm these details and finalize our specific floor plans, amenities, and pro forma operating assumptions for the residential component of the WTC mixed-use project. Below please see detailed analysis from Cook Moore and Associates regarding the current top 3 luxury apartment buildings with no mixed-income component in downtown – 1201 Canal, 930 Poydras and the Maritime. In addition, we are including detailed information about the new Hibernia project downtown, which recently leased 175 total units in roughly 3 months, with market-rate unit rents in the \$2 per square foot range as well, although this is a mixed-income/subsidized apartment project and not directly comparable to the luxury WTC apartments proposed.

We believe the proven historical performance of the luxury downtown apartment market, pent up demand confirmed by very fast lease up periods, and supporting operating data from comparable existing properties we have gathered fully justifies our ability to realistically achieve our conservative pro forma operating projections for the 280 new luxury apartments and penthouses to be developed at the WTC. In addition, we feel strongly that our new residences at the WTC will be the clear, new downtown market leader versus other existing buildings, with far more attractive and diversified floor plans, higher-end finishes, better views, superior location, unparalleled amenities, and the unique advantage of being on top of the best, new, luxury lifestyle hotel in the City – the new W Hotel with all of its amenities, restaurants, bars, and entertainment options a short elevator ride away.

Multi-Family Lease No. 1



Property Identification

Record ID	857
Property Type	High Rise
Property Name	930 Poydras Street Apartments
Address	930 Poydras Street , New Orleans, Orleans Parish, Louisiana
Location	Lots 10, 11, 12, 18,19, 9B, and K, Square Number 259, First District, fronting on the southeast corner of Poydras Street and O’Keefe Street
Date of Survey	March 2013
On-Site Manager	(504) 568-0930
Verification	Other sources: Appraisal Files

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

	<u>Unit Mix</u>			
	No. of			Mo.
<u>Unit Type</u>	<u>Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Rent/SF</u>
1BR/1BA	11	618	\$1,220	\$1.97
1BR/1BA	59	628	\$1,220	\$1.94
1BR/1BA	13	735	\$1,350	\$1.84
1BR/1BA	13	724	\$1,350	\$1.86
1BR/1BA	39	732	\$1,350	\$1.84
1BR/1BA	11	714	\$1,250	\$1.75
2BR/1BA	12	926	\$1,800	\$1.94
2BR/1BA	11	860	\$1,625	\$1.89
2BR/1BA	13	908	\$1,700	\$1.87
2BR/2BA	13	981	\$1,775	\$1.81
2BR/2BA	13	1,025	\$1,850	\$1.80
2BR/2BA	11	1,069	\$1,975	\$1.85
2BR/2BA	26	980	\$1,775	\$1.81
2BR/2.5BA,TH	3	1,328	\$2,525	\$1.90
2BR/2.5BA,TH	1	1,336	\$2,525	\$1.89
2BR/2.5BA,TH	1	1,274	\$2,525	\$1.98
Occupancy	100%			
Total Units	250			
Unit Size Range	618 - 1336			
Avg. Unit Size	806			
Avg. Rent/Unit	\$1,504			
Avg. Rent/SF	\$1.87			
Net SF	202,162			
<u>Physical Data</u>				
No. of Buildings	1			
Construction Type	Class C			
HVAC	Central			
Stories	21			
Floor Height	9',10'			
Utilities with Rent	Water, Sewer, Trash Collection			
Unit Amenities	Ceiling Fans, Icemakers, Microwaves, Range Oven, Dishwasher, Washer/Dryer			
Project Amenities	Outdoor Pool, Exercise/Fitness, Sundeck, Library, Coffee Bar, Screening room			
Parking	Parking Garage-\$180/mth per space			
Year Built	2009			
Condition	Good			
Deposits	\$1,000, Applic. Fee-\$40, Pet-\$350 (NR)			
Washer/Dryer	Yes			

Multi-Family Lease No. 1 (Cont.)

Amenities

Unit Amenities include: a frost-free refrigerator with ice-maker, free-standing, self-cleaning electric range/oven with separate cooktop, microwave oven, dishwasher, washer and dryer in all units, large walk-in closets in each bedroom, ceiling fans in all bedrooms, track lighting throughout and a deadbolt lock

Complex Amenities include: a 7,800± square foot “Sky Lobby” (with 20' ceilings in most areas), screening room, library with flat screen television, coffee bar, free Wi-Fi internet access, onsite leasing offices, a tenant common area, a 6,800 square foot Roof Terrace adjacent to the “Sky Lobby” with a sundeck with multiple lounge areas, landscaping, a pool with cascading water feature, fitness room, 2 built-in outdoor kitchens, views of the downtown New Orleans area

Remarks

This is a Class C (Poured-in-place concrete) 250-unit, “upscale” multifamily apartment community in a 21-story high-rise, mixed-use building with concrete slab foundation and flat, built-up roofing. The first floor has a mixture of retail, a small lobby space (for the apartment units), and parking (26 parking spaces). The 2nd through 8th floors encompass a parking garage with 473± parking spaces (67± spaces per floor). The 9th through 21st floors contain the 250 apartment units. Exterior features include: walls are metal panel and glass curtain wall, doors are solid core, flush wood, and windows are storefront and aluminum. Interior features include: walls are textured and painted sheetrock, floors are sealed concrete, carpet, and stained and scored concrete, ceilings heights are 10' high and 9' high, and 5 hydraulic elevators.

Specials : None

Multi-Family Lease No. 2



<u>Property Identification</u>	
Record ID	863
Property Name	1201 Canal Street Condominiums (Former Krauss Department Store)
Address	1201 Canal Street, New Orleans, Orleans Parish, Louisiana
Location	Fronting on the northwest corner of Canal Street and Basin Street
Date of Survey	March 2013
On-Site Manager	(504) 302-2503, (504) 585-1535
Management Co.	KFK Group
Verification	Other sources: Appraisal Files

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

<u>Unit Type</u>	<u>No. of Units</u>	<u>Unit Mix</u>		<u>Mo. Rent/SF</u>
		<u>Size SF</u>	<u>Rent/Mo.</u>	
1BR/1BA		555	\$1,275	\$2.30
1BR/1BA		630	\$1,375	\$2.18
1BR/1BA		700	\$1,375	\$1.96
1BR/1BA		648	\$1,425	\$2.20
1BR/1BA		643	\$1,425	\$2.22
	84			
2BR/2BA		889	\$1,890	\$2.13
2BR/2BA		1,140	\$2,490	\$2.18
	32			
2BR/2.5BA,Penth	2	2,045	\$3,500	\$1.71
3BR/2BA,Penths	2	1,936	\$4,000	\$2.07
4BR/3BA,Penths	2	2,674	\$4,500	\$1.68
Occupancy	100%			
Rent Premiums	Storage Units-\$25-\$50			
Total Units	122			
Unit Size Range	555 - 2674			
Avg. Rent/Unit	\$1,405			
Avg. Rent/SF	\$2.17			
Net SF	9,806			
Physical Data				
Construction Type	Class C & S			
HVAC	Central			
Stories	6			
Floor Height	12-18'			
Utilities with Rent	Water, Sewer, Trash Collection, Pest Control			
Unit Amenities	Security System, Washer/Dryer, Walk-in closets			
Project Amenities	Outdoor Pool, Clubhouse, Whirlpool/Jacuzzi, Exercise/Fitness, Dog Walkg. area,valet parking in attached gar			
Parking	Open Concrete, Parking Garage-\$150 each add. space			
Year Built	2008 Converted/Renovated			
Condition	Excellent			
Deposits	1 Month's Rent, Applic. Fee-\$60, Pet-\$250 (NR) under 30 lbs			
Washer/Dryer	Yes			

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

Amenities

Unit Amenities include: walk-in closets, high-speed data lines, washer/dryer units, pre-wiring for surround sound in living area, 12' to 18' ceilings, 8' doors, expansive views of the French Quarter and surrounding areas, as well as fully equipped kitchens with GE stainless steel appliances and slab granite countertops

Complex Amenities include: concierge, complementary valet service, onsite management and security, a fitness center, rooftop pool, hot tub, dog-friendly rooftop walking area, resident lounge, an attached parking garage

Remarks

This is 122 apartments units within a Class S & C (Steel Frame & Concrete Block) development (1201 Canal Street) with two 6-story condominium buildings. Exterior features include: walls are stucco and windows are single-hung, double-pane glass in aluminum frames. Interior features include: walls are painted gypsum board, floors are wood, laminate, and ceramic, doors are solid-core, and ceilings are 12'-18' high.

In 2008, the former Krauss Department Store building was converted into 111 luxury condominium units and 122 apartments known as 1201 Canal Street Condominiums. This development has over 300,000± square feet, including 25,000± square feet of available retail space on the first floor, and encompasses nearly two city blocks.

Specials: None

Multi-Family Lease No. 5



Property Identification

Record ID	941
Property Type	High Rise
Property Name	Maritime Apartments
Address	800 Common Street, New Orleans, Orleans Parish, Louisiana
Location	Fronting on the southwest corner of Carondelet Street and Common Street
Date of Survey	March 2013
On-Site Manager	(504) 522-4555
Management Co.	HRI Properties Inc
Verification	Other sources: Appraisal Files

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

Multi-Family Lease No. 5 (Cont.)

	<u>Unit Mix</u>			
	No. of			Mo.
<u>Unit Type</u>	<u>Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Rent/SF</u>
1BR/1BA	2	552	\$1,375	\$2.49
1BR/1BA	2	567	\$1,175	\$2.07
1BR/1BA	5	592	\$1,275	\$2.15
1BR/1BA	8	608	\$1,325	\$2.18
1BR/1BA	2	631	\$1,675	\$2.65
1BR/1BA	8	639	\$1,375	\$2.15
1BR/1BA	7	654	\$1,425	\$2.18
1BR/1BA	3	705	\$1,925	\$2.73
1BR/1BA	8	752	\$1,475	\$1.96
1BR/1BA	3	770	\$1,800	\$2.34
1BR/1BA	6	775	\$1,725	\$2.23
1BR/1BA	6	805	\$1,625	\$2.02
1BR/1BA	6	821	\$1,725	\$2.10
1BR/1BA	8	843	\$1,625	\$1.93
1BR/1BA	9	887	\$1,725	\$1.94
2BR/2BA	8	915	\$1,775	\$1.94
2BR/2BA	3	1,004	\$2,625	\$2.61
2BR/2BA	6	1,110	\$2,375	\$2.14
Occupancy	96%, 94% leased			
Total Units	105			
Unit Size Range	552 - 1110			
Avg. Unit Size	776			
Avg. Rent/Unit	\$1,647			
Avg. Rent/SF	\$2.12			
Net SF	80,836			
<u>Physical Data</u>				
No. of Buildings	26			
Construction Type	Class C			
HVAC	Central			
Stories	11			
Floor Height	9'-12'			
Utilities with Rent	Water, Sewer, Trash Collection			
Unit Amenities	Ceiling Fans, Icemakers, Microwaves, Dishwasher, Washer/Dryer			
Project Amenities	Outdoor Pool, Exercise/Fitness, Saunas, Steam			
Parking	None			

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

Year Built	1893 ; Renovated in 2010
Condition	Good
Deposits	\$500, Applic. Fee-\$50, No Pets
Washer/Dryer	Yes

Amenities

Unit Amenities include: a frost-free refrigerator with ice-maker, free-standing, self-cleaning electric range/oven with lighted fan/hood, dishwasher, microwave oven, washers and dryers in all units, walk-in closets, wood blinds, ceiling fans

Complex Amenities include: rooftop swimming pool with sundeck, fitness center, residents lounge, saunas, steam rooms, leasing office/clubhouse with clubroom, a courtyard outside the rear entrance to the building, trash disposal room with a chute leading to a trash compactor, a tenant business center (with computers, fax machine and printer), leasing offices, a waiting area/lobby, Media Lounge, common mailbox area, 24 hour doorman/concierge, grocery delivery available, dry cleaning pick up & delivery service available, housekeeping available.

Remarks

This is a high rise, 11-story, Class C (Masonry), 100-unit upscale apartment complex with concrete slab foundation and flat, built-up tar and gravel roof. Exterior features include: walls are painted concrete block with decorative terra cotta and highly decorative, concrete block accents, doors are double storefront entry, and windows are storefront windows in metal frames, highly decorative multiple-pane arched, bay, and double-hung sliding glass in wood frames. Interior features include: walls are painted gypsum board and textured and painted sheetrock, floors are stained concrete, hardwood, carpet, ceramic tile, and slate, and ceilings are painted concrete, ceiling heights range from 9' to 12' high, and 3 elevators accessing upper floors.

This complex was the first “skyscraper” in the City of New Orleans, built in 1889 by Architect Thomas Sully with 10 stories and named the Hennen Building. In 1912, the 11th floor was added. The building underwent significant renovations in the mid-1980's, as well as in the late 1990's. The Maritime was completely renovated in 2010 and now includes 105 luxury residences, retail space on the ground floor, and office space on the second floor.

Specials : None

Multi-Family Lease No. 10



<u>Property Identification</u>	
Record ID	992
Property Type	High Rise
Property Name	Hibernia Towers Apartments
Address	313 Carondelet Street,, New Orleans, Orleans Parish, Louisiana
Location	Fronting on the west side of Carondelet Street, the south side of Gravier Street and the north side of Union Street
Date of Survey	March 2013
Management Co.	HRI Management
Verification	Other sources: Appraisal Files

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

	<u>Unit Mix</u>			
<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1BR/1BA (20%)	1	605	\$161	\$0.27
1BR/1BA (30%)	17	637	\$277	\$0.43
1BR/1BA (60%)	18	663	\$625	\$0.94
1BR/1BA (80%)	55	669	\$857	\$1.28
1BR/1BA (M)	10	583	\$1,430	\$2.45
1BR/1BA (M)	9	660	\$1,415	\$2.14
1BR/1BA (20%)	9	690	\$135	\$0.20
1BR/1BA (M)	5	767	\$1,450	\$1.89
1BR/1BA (M)	8	851	\$1,540	\$1.81
1BR/1BA (M)	8	892	\$1,500	\$1.68
1BR/1BA (M)	9	937	\$1,525	\$1.63
2BR/2BA (M)	7	954	\$2,125	\$2.23
2BR/2BA (M)	8	1,051	\$2,055	\$1.96
2BR/2BA (M)	2	1,217	\$2,350	\$1.93
2BR/2BA (M)	8	1,317	\$2,350	\$1.78
3BR/2BA (M)	1	1,501	\$3,750	\$2.50
Occupancy	99% (2 vacant)			
Total Units	175			
Unit Size Range	583 - 1501			
Avg. Unit Size	765			
Avg. Rent/Unit	\$1,116			
Avg. Rent/SF	\$1.46			
Net SF	133,912			
<u>Physical Data</u>				
No. of Buildings	1			
Construction Type	Class C			
HVAC	Central			
Stories	21			
Floor Height	9'			
Utilities with Rent	Water, Sewer, Trash Collection			
Unit Amenities	Icemakers, Washer/Dryer Connections, Microwaves, Walk-in closets, Dishwasher, Refrigerator			
Project Amenities	Outdoor Pool, Laundry, Exercise/Fitness, Outdoor patio			
Parking	Parking Garage			
Year Built	1921			
Condition	Average			
Deposits	\$500, Applic. Fee \$50			
Washer/Dryer	Yes			

COOK, MOORE & ASSOCIATES RENTAL COMP ANALYSIS

Rental Rate Analysis

Amenities

Unit Amenities include: frost-free refrigerator with ice-maker, electric range/oven with fan/hood, dishwasher and microwave oven, walk-in closets, washers and dryers, blinds, parking garage

Complex Amenities include: large outdoor patio area on the 15th floor with a swimming pool, fitness center adjoining the pool area on the 15th floor, leasing office and a laundry room on the mezzanine floor, parking garage, a white cupola (a landmark for the downtown area of New Orleans and was part of Hibernia National Bank's logo) on the top of the building

Remarks

This is a mixed-income complex oriented towards lower-income and market rate households. Note the units market with an (M) are market rate units. This is a 21-story, Class C (Masonry), 175-unit, high-rise apartment complex with concrete slab foundation and flat, built-up tar and gravel roof. Exterior features include: walls are masonry (stone) panels, doors are metal (on the rear) and storefront glass in metal frames) on the front of the building, and windows are single-hung, with a mixture of steel and wood frames. Interior features include: walls are painted gypsum board, floors are commercial-grade, glued down carpeting, and marble tile, doors are hollow core wood, ceilings are textured and painted sheetrock with batt insulation, ceilings heights are 9' high for the upper floors and 14' high for first floor bank space, and 4 cable-driven passenger elevators.

The original structure of the building was constructed in 1921± as one of the first high-rise skyscrapers in New Orleans. It was originally built to house the corporate headquarters of Hibernia National Bank (which has since been purchased by Capital One Bank). The building was completely renovated and converted into apartments in 2012. The interior of the building was gutted. The 2nd and 3rd floors were converted into office space and the 4th through 21st floors converted into 175 apartment units. This complex has a total of 13,134 square feet of bank branch space (leased to Capitol One Bank) on the first floor of the building and 28,835 square feet of office space on the 2nd and 3rd floors.

This complex started leasing in October 2012 and reached stabilized occupancy in January 2013 (roughly a 3-month leasing period), indicating an absorption of 54.2± units per month. This is an extremely strong absorption period, likely due to the fact that the subject is an iconic building in the New Orleans area and the quality and finished in the building are superior to most of the product in the local market.

Specials : None

WTC PROPERTY AS-IS MARKET VALUE

We understand that one of the goals for the WTC RFP is “to provide direct revenue to NOBC commensurate with the market value and proposed use of the property.” In an effort to accurately quantify the true market value of the WTC property in today’s environment, we have completed substantial 3rd party objective research including:

- Summary of recent comparable vacant high-rise sales in the CBD from Cook Moore and Associates
- Summary of recent comparable land/parking lot sales in the CBD from Cook Moore and Associates
- Estimate of demolition cost of the historic WTC high-rise from White Construction
- Hard Cost construction estimate of potential new-construction high-rise after demolition of historic WTC, with comparable size and mixed-use program as our proposed WTC adaptive re-use from White Construction described herein

For the Selection Committee’s review, please see these 3rd party expert reports and estimates below, and at the end of this section, our team’s resulting valuation proposal for the as-is WTC property.

Improved Sale No. 1



<u>Property Identification</u>	
Record ID	3711
Property Type	Office Building
Property Name	Capital One Building
Address	313 Carondelet Street, New Orleans, Orleans Parish
Location	Lots 1-8, Square 228, fronting on the west side of Carondelet Street, the south side of Gravier Street and the north side of Union Street

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Sale Data

Grantor	Capital One, National Association
Grantee	313 Carondelet Complex, LLC (represented by Mr. A. Thomas Leonhard, Jr.)
Sale Date	August 26, 2011
Deed Book/Page	NA#11-31246
Financing	Cash Sale
Verification	Other sources: Appraisal Files
Sale Price	\$3,500,000
Cash Equivalent	\$3,500,000

Land Data

Land Size	0.464 Acres or 20,192 SF
Front Footage	176 ft Carondelet Street; 106 ft Gravier Street; 110 ft Union Street
Zoning	CBD, Central Business District
Utilities	Water, sewage treatment, electricity, telephone & cable
Dimensions	176' Carondelet Street, 106' Gravier Street, 100' Union Street
Shape	Irregular
Flood Info	Zone A1, inside flood hazard zone
Corner Lot	Yes
Drainage	Adequate

General Physical Data

Building Type	Single Tenant
Gross SF	265,970

Construction Type	Class C
Roof Type	Flat, built-up
Foundation	Concrete slab
HVAC	Central
Sprinklers	Yes
Stories	21
Floor Height	9'
Year Built	1921
Condition	Average

Elevators	4
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Indicators

Sale Price/Gross SF	\$13.16
Floor Area Ratio	13.17
Land to Building Ratio	0.08:1

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Building Description

This is a Class C (Masonry), 21-story office building with reinforced concrete slab foundation and a building flat, built-up tar and gravel roof. Exterior features include: walls are masonry, doors are metal (on the rear) and storefront systems (glass in metal frames) on the front of the building and windows are single-hung, with a mixture of steel and wood frames. Interior features include: walls are painted, floors will be a mixture of commercial-grade, glued down carpeting and marble tile, ceilings heights for the upper floors are 9' high and first floor bank space are 14' high.

Remarks

This property is the Capital One Building (formerly known as the Hibernia Tower). It is a landmark building in downtown New Orleans that is instantly recognizable due to the cupola on the top of the building that is lighted nightly (and changes colors depending on the season). At the time of the sale, Capital One Bank occupied the first floor as their main bank branch in New Orleans. The remaining portions of the building were vacant at the time of sale.

This facility was purchased to be converted into a 176-unit, Mixed-Income development to be known as the Hibernia Apartments. The property will be improved with a newly-renovated multifamily apartment community comprised of one 21-story apartment building (that will be converted from an old office building), with supporting auxiliary space for the tenants on the 15th floor of the building, bank space on the ground floor and office space on the 2nd and 3rd floors. Floors 4 through 21 will contain the residential areas. These units will be constructed in a similar mold to that found in the other office/warehouse conversion projects throughout the Warehouse District/CBD/Lower Garden District in New Orleans.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Improved Sale No. 2



Property Identification

Record ID	3713
Property Type	Office Building
Property Name	Chevron Building
Address	919 & 935 Gravier Street, 218 O'Keefe Street, New Orleans, Orleans Parish, Louisiana
Location	Lots 1, 2, 3, 4, 5, 8, 13, 14, 15, A and B, Square 265, First District, fronting on the northeast corner of Gravier Street and O'Keefe Street,&the south side of Common Street

Sale Data

Grantor	Huntington Beach Company (represented by J. Perez, and Chevron USA)
Grantee	Kingfish Development, LLC (represented by Hugh Uhalt and Steven O. Medo, III)
Sale Date	October 18, 2010
Deed Book/Page	NA# 2010-40599
Financing	Cash Sale
Sale Price	\$6,000,000
Cash Equivalent	\$6,000,000

Land Data

Land Size	1.101 Acres or 47,958 SF
Front Footage	Gravier Street; O'Keefe Street; Common Street
Zoning	CBD1, Central Business District w/Conditional
Utilities	All Available

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Improved Sale No. 2 (Cont.)

Shape	Irregular
Corner Lot	Yes
Street Access	Asphalt, 2-lane, one-way; Asphalt, 2-lane, , one-way
Drainage	Subsurface

General Physical Data

Building Name	935 Gravier Street
Building Type	Single Tenant
Gross SF	416,904

Construction Type	Class A
Roof Type	Built-up, Flat
Foundation	Concrete slab
HVAC	Central
Sprinklers	Yes
Stories	21
Floor Height	9'
Year Built	1981 ; Renovated in 1999
Condition	Average

Parking	Garage (218 O'Keefe Street)	312 spaces, 114,186 sf
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Building Class	A
Elevators	Yes
Occupant	Vacant (Former Chevron)

General Physical Data

Building Name	919 Gravier Street
Building Type	Single Tenant
Gross SF	15,740

Construction Type	Class D
Roof Type	Flat, Built-up
Foundation	Concrete slab
HVAC	Central
Sprinklers	Yes
Stories	1 1/2
Floor Height	9'
Year Built	1963
Condition	Fair

Occupant	Vacant
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COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Summary for Multiple Buildings

<u>Building Name</u>	<u>Construction Type</u>	<u>Year Built</u>	<u>Gross Sq. Ft.</u>	<u>Net Sq. Ft.</u>	<u>No. Stories</u>	<u>Avg. Fl. Ht.</u>
935 Gravier Street	Class A	1981	416,904		21	9'
919 Gravier Street	Class D	1963	15,740		1 1/2	9'
Gross SF			432,644			

Indicators

Sale Price/Gross SF	\$13.87
Floor Area Ratio	9.02
Land to Building Ratio	0.11:1
Occupancy at Sale	Vacant

Building Description

This sale consist of three buildings which include, a 21-story, Class A (Steel Frame), single-tenant office building, an adjoining eight-story, 312-space, Class C (Concrete) parking garage, and an adjoining 1 1/2 story, Class D (Wood Frame) office building. The buildings have concrete slab foundations and a mixture of a flat, built-up and asphalt shingle roofing. Exterior features include: walls are brick veneer, glass, and concrete and windows are double pane glass in bronze aluminum frames. Interior features include: walls are drywall, floors are commercial grade carpet, vinyl, and stone, ceilings are acoustical tile and drywall with recessed florescent lighting, crown moldings, spandrel beams, elevators, and sprinkler system.

Site improvements include: concrete-paved sidewalks & driveways, minimal landscaping, signage, exterior lighting

Remarks

This property included 3 buildings. The 21-story office building addressed 935 Gravier Street was built in 1981 and renovated in 1999 with stone floors, wood base and crown moldings, and decorative lighting fixtures. The building was originally designed for Chevron as a single tenant which limited its conversion potential to other uses, e.g., apartments or condominiums. This building incurred minimal damage during Hurricane Katrina. The 1 1/2 story office building addressed 919 Gravier Street was built in 1963. This building incurred approximately 6" of flooding. At the time of sale, the entire first floor was gutted and the flooring was removed on the second floor. The eight-story parking garage addressed 218 O'Keefe Street was built in 1980. This building also incurred minimal damage during the storm.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Improved Sale No. 7



Property Identification

Record ID	1986
Property Type	Office Building
Property Name	Saratoga Building
Address	212 Loyola Avenue, New Orleans, Orleans Parish, Louisiana
Location	Lot X, Square 299, First Municipal District, fronting on the south side of Loyola Avenue and the west side of Tulane Avenue

Sale Data

Grantor	Saratoga Building, LLC
Grantee	Saratoga Lofts, LLC
Sale Date	January 24, 2006
Deed Book/Page	NA#06-02670
Financing	Cash Sale

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Improved Sale No. 7 (Cont.)

Sale Price	\$2,100,000
Cash Equivalent	\$2,100,000

Land Data

Land Size	0.294 Acres or 12,810 SF
Front Footage	301.9 ft Total Frontage: 160.71 ft Loyola Avenue; 141.19 ft Tulane Avenue
Zoning	CBD1, Central Business District
Utilities	All available
Dimensions	63.33' + 97.38' x 65.32' x 141.19' x 94.18'
Shape	Irregular
Corner Lot	No
Street Access	Concrete, 4-lane
Drainage	Subsurface

General Physical Data

Building Type	Multi Tenant
Gross SF	156,000
Net Rentable SF	144,873

Construction Type	Class A
Roof Type	Flat
Foundation	Concrete slab
HVAC	Central
Sprinklers	Yes
Stories	14
Floor Height	8'
Year Built	1958
Condition	Average
Elevators	(4) 3,000 lb capacity

Indicators

Sale Price/Gross SF	\$13.46
Floor Area Ratio	10.62
Land to Building Ratio	0.08:1
Occupancy at Sale	Vacant

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR VACANT HIGH-RISES

Improved Sale No. 7 (Cont.)**Building Description**

This is a 14-story, Class A office building with concrete slab foundation and flat roof. Exterior features include: brick veneer on the upper floors with marble paneled on the first & second floor and extensive plate glass throughout. Interior features include: walls are cement plaster finish, painted gypsum board, and marble, floors are commercial grade carpet, ceramic tile, and marble & terrazzo in the lobby, public restrooms located on alternate floor with additional restrooms added for Tulane space, sprinkler system is in place on floors 7-13 only, air conditioning is provided by two, 225 ton chillers, four 3,000 lb. capacity elevators

Remarks

At the time of the sale, the building was essentially vacant. The ground level of the building is retail with the former bank branch space occupied by a drugstore while the other retail/office unit was vacant. The 15th floor contains the mechanical equipment and engineer's office only.

One floor occupied by Tulane had marketable office build-out at the time of sale. Tulane Medical Center is across the street from this property. Most of the other office space was dated and required significant refurbishment. This transfer involves the conveyance of a 75% leasehold and 25% fee simple interest. The site is owned by the Brignac family and is subject to the lease executed originally in 1957 for a term of 54 years (expiring March 30, 2011). Annual rent over the term is \$48,000, on a net basis. Improvements revert to the lessor upon lease expiration. This property was acquired by a local architect/developer for conversion to apartments under the HVD 221D4 Program. It lacked any onsite parking spaces, but adjoined a parking garage with which the purchaser negotiated a lease arrangement to provide parking spaces for the new apartment tenants.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 1

Property Identification

Record ID	5639
Property Type	Commercial
Address	Poydras Street, New Orleans, Orleans Parish, Louisiana
Location	Fronting on the side of Poydras Street

Sale Data

Grantor	Poydras, LLC
Grantee	Orcutt, LLC (represented by Jim Huger)
Sale Date	August 15, 2011
Deed Book/Page	NA#2011-29823
Financing	Sheriff Sale (Cash)
Verification	William Baldwin, MAI; Jim Huger

Sale Price	\$4,940,000
Cash Equivalent	\$4,940,000

Land Data

Zoning	CBD1, Central Business District
Utilities	All Available
Shape	Irregular
Flood Info	Zone
Corner Lot	No
Drainage	Subsurface

Land Size Information

Gross Land Size	0.866 Acres or 37,715 SF
Front Footage	Poydras Street

Indicators

Sale Price/Gross Acre	\$5,704,388
Sale Price/Gross SF	\$130.99

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Remarks

At the time of sale, the site was a 135± space, surface parking lot. The site was also partially improved with a turn-of-the-century, 1,450± sf, masonry/frame structure which constituted building “shell” space. The purchaser of the property indicated that the building was of no contributing value.

This property was the proposed site of the Trump International Hotel and Tower. Initially, the project was slated to break ground in early 2006, but the project quickly became obscured by the events of Hurricane Katrina. After multiple delays caused by Hurricane Katrina followed by the recession of 2008-2009, the project was foreclosed upon and sold at sheriff’s auction in August 2011. The purchaser is a parking operator and intends to continue operating the site as a surface parking lot. Prior to the sale, the site was leased on a net basis to Central Parking (a competing operator) for \$45,000/month.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 2

Property Identification

Record ID 5635
Property Type Commercial
Address O'Keefe Avenue, South Rampart Street, Lafayette Street, New Orleans, Orleans Parish, Louisiana
Location An undesginated lot, Lots 4-6, A&B,Sq.272,First Municipal District, fronting on the west side of O'Keefe Ave.,on the north side of Lafayette St.,on the east side of S.Rampart St.

Sale Data

Grantor Elroy W. Eckhardt,et.al.(1), George S. Cross,et.al.(2),Hayden W.Wren,III(3)
Grantee Bart Park, LLC
Sale Date March 30, 2011
Deed Book/Page NA#2011-11870,11871,11872
Financing Sale with Mortgage; \$600,000 cash, \$1,950,800 promissory note at 6% payable over 10-year term
Verification Vendor; Representative of Vendee
Sale Price \$2,550,800 [\$2,200,800 (1) + \$155,000 (2) + \$175,000 (3)]
Cash Equivalent \$2,550,800

Land Data

Zoning CBD1, Central Business District
Utilities All Available
Dimensions 245.33' O'Keefe Ave.; 142.97 S. Rampart St.; 66.53' Lafayette St.
Shape Irregular
Flood Info Zone
Corner Lot Yes
Drainage Subsurface

Land Size Information

Gross Land Size 0.674 Acres or 29,353 SF
Front Footage 455 ft Total Frontage: 245 ft O'Keefe Avenue;143 ft South Rampart Street;67 ft Lafayette Street

Indicators

Sale Price/Gross Acre \$3,785,400
Sale Price/Gross SF \$86.90
Sale Price/Front Foot \$5,606

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Remarks

This site was assembled by the purchaser to be utilized for off street parking needs. The parcel purchased from George S. Cross, et.al was recorded as \$10, but a broker familiar with the transaction indicated the sale price was \$86.90/sf. At the time of sale, the site had minor environmental contamination use. The estimated cost for environmental clean up is \$30,000. The site is within the Central Business/Warehouse District of New Orleans.

Poydras Street is a 4-lane, concrete-paved roadway with subsurface drainage. South Rampart Street is a one-way, 2-lane, asphalt-paved roadway with subsurface drainage. Lafayette Street is a one-way, one-lane, asphalt-paved roadway with subsurface drainage.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 3

Property Identification

Record ID 5636
Property Type Commercial
Address O'Keefe Avenue & Girod Street, New Orleans, Orleans Parish, Louisiana
Location Lot B, Square 258, First Municipal District, fronting on the southeast corner of O'Keefe Avenue & Girod Street

Sale Data

Grantor 43222 Pecan Ridge, LLC, Saratoga Building, LLC (repr. by Thomas V. Cefalu III)
Grantee Americana New Orleans, LLC (represented by Matthew G. Schawartz)
Sale Date January 05, 2011
Deed Book/Page NA#2011-01374
Financing Cash Sale
Verification Hayden Wren - Agent; Other sources: Courthouse records

Sale Price \$2,700,000
Cash Equivalent \$2,700,000

Land Data

Zoning CBD5, Central Business District
Utilities All Available
Shape Irregular
Flood Info Zone
Corner Lot Yes
Drainage Subsurface

Land Size Information

Gross Land Size 0.829 Acres or 36,133 SF
Front Footage O'Keefe Avenue; Girod Street

Indicators

Sale Price/Gross Acre \$3,254,975
Sale Price/Gross SF \$74.72

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Remarks

This site was acquired by the seller in 2006 for the development of a 25-story, 219-unit condominium development to be known as Vantage Tower. The development was never introduced and it has remained in use as a parking lot since 2006. The purchaser has been assembling parcels for the development of a large, mixed-use development to be known as The South Market District. This site is a portion of this development.

O'Keefe Avenue is a one-way, 3-lane, asphalt-paved roadway with subsurface drainage. Girod Street is a 4-lane, asphalt-paved roadway with grass median and subsurface drainage.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 4

Property Identification

Record ID 5638
Property Type Commercial
Address South Rampart Street & University Place , New Orleans,
Orleans Parish, Louisiana
Location Lots 1-3, 6-10, 80, Square 267, First Municipal District, fronting
on the east side of South Rampart Street and the westside of
University Place between Canal St. & Common St.

Sale Data

Grantor Chavez Properties-University Place, LP (repr.by Manual
Chavez,General Par)
Grantee AVR-NO, LLC (represented by Allan V. Rose, Manager)
Sale Date April 15, 2008
Deed Book/Page NA#08-27360
Financing Cash Sale

Sale Price \$3,000,000
Cash Equivalent \$3,000,000
Downward Adjustment \$100,000 [Contributory Value of Equipment]
Adjusted Price \$2,900,000

Land Data

Zoning CBD1, Central Business District
Utilities All available
Shape Irregular
Flood Info Zone
Corner Lot No
Drainage Subsurface

Land Size Information

Gross Land Size 0.819 Acres or 35,663 SF
Front Footage 191 ft Total Frontage: 191 ft South Rampart Street;86 ft
University Place

Indicators

Sale Price/Gross Acre \$3,664,405 Actual or \$3,542,258 Adjusted
Sale Price/Gross SF \$84.12 Actual or \$81.32 Adjusted
Sale Price/Front Foot \$15,707 Actual or \$15,183 Adjusted

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Remarks

This site is comprised of three separate parcels divided by an "L" shaped alley that runs through the site. The site has been utilized as a parking lot. The site was purchased by the Roosevelt Hotel and they plan to continue to utilize the site as a parking lot. This sale included several parking lifts, equipment, and attendant's booth with a contributory value of \$100,000.

South Rampart Street is a one-way, 2-lane, asphalt-paved roadway with subsurface drainage. University Place is a one-way, one-lane, asphalt-paved roadway with subsurface drainage.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 5

Property Identification

Record ID	3865
Property Type	Commercial
Address	Union Street, New Orleans, Orleans Parish, Louisiana
Location	Lot A, Square First District, fronting on the eastern side of Union Street and the southern side of Perdido Street

Sale Data

Grantor	Union Street Parking Investors, LLC
Grantee	St. Charles Hotel Investors, LLC
Sale Date	January 04, 2007
Deed Book/Page	NA# 07-01356
Financing	Cash Sale

Sale Price	\$1,238,000
Cash Equivalent	\$1,238,000

Land Data

Zoning	CBD1, Central Business District
Utilities	All Available
Dimensions	69.08' Union Street; 75.12' Perdido Street
Shape	Rectangular
Flood Info	Flood Zone A
Corner Lot	No
Drainage	Subsurface

Land Size Information

Gross Land Size	0.323 Acres or 14,050 SF
Front Footage	75 ft Total Frontage: 75 ft Union Street; 69 ft Perdido Street

Indicators

Sale Price/Gross Acre	\$3,838,404
Sale Price/Gross SF	\$88.12
Sale Price/Front Foot	\$16,507

Remarks

This is a vacant, asphalt surfaced parking lot on Union and Perdido Streets. The property was acquired by the purchaser of the new Monaco Hotel and will be used for hotel and valet parking.

COOK, MOORE & ASSOCIATES SALES COMP ANALYSIS FOR LAND/PARKING LOTS

Land Value Estimate

Land Sale No. 6

Property Identification

Record ID	3641
Property Type	Commercial
Address	930 Poydras Street, New Orleans, Orleans Parish, Louisiana
Location	Lots 18 & 19, 9B, 10A, the Common Alley, portion of Lots 10, 11 & 12 & Lot K, Square 259, First Municipal District, the southeastern corner of Poydras Street & O'Keefe St.

Sale Data

Grantor	Six G's, LLC (represented by Mr. T.G. Solomon)
Grantee	930 Poydras, LLC (represented by Mr. Brian Gibbs)
Sale Date	September 08, 2006
Deed Book/Page	Inst#2006-35144
Financing	Cash Sale
Verification	Other sources: Appraisal Files

Sale Price	\$3,000,000
Cash Equivalent	\$3,000,000

Land Data

Zoning	CBD1, Central Business District
Utilities	All Available
Shape	Rectangular
Flood Info	Zone A1; inside flood hazard zone
Corner Lot	Yes
Drainage	Subsurface

Land Size Information

Gross Land Size	0.695 Acres or 30,256 SF
Front Footage	160 ft Total Frontage: 160 ft Poydras Street; 190 ft O'Keefe Avenue

Indicators

Sale Price/Gross Acre	\$4,319,143
Sale Price/Gross SF	\$99.15
Sale Price/Front Foot	\$18,750

Remarks

The site was purchased to be improved with a 21-story, high-rise building containing retail areas, an 8-story parking garage and 12 floors of multifamily space containing a total of 249 rental units to be known as 930 Poydras Apartments. Poydras Street is a 4-lane, concrete-paved roadway with subsurface drainage.

WHITE CONSTRUCTION DEMOLITION ESTIMATE



WHITE CONSTRUCTION COMPANY

GENERAL CONTRACTING • CONSTRUCTION MANAGEMENT • DESIGN/BUILD

April 11, 2013

Gatehouse Capital
1501 Dragon Street, Suite 101
Dallas, TX 75207

Attn: Marty Collins
President/CEO

Re: World Trade Center Redevelopment
New Orleans, LA

Subject: Demolition Costs

Dear Mr. Collins,

The purpose of this letter is to provide a budget for the total demolition and debris removal of the existing World Trade Center building.

The estimated cost to demolish the existing building is \$10,406,000.

The scope of work included is as follows:

- Demolition of the existing building to a point 2' below finish grade
- An allowance of \$600,000 for the abatement of the hazardous material.
- Removal of demo debris to a licensed landfill.
- Disconnecting existing utilities.
- Fencing of the site.
- SWPPP maintenance during the demolition work.
- Excludes the removal of underground utilities.
- Includes rough grading of the site once the demolition work is complete.

The estimated duration of this work is 20 to 24 months.

We considered the option of imploding the building which would significantly reduce the cost. However, due to the proximity of the site to the train tracks, river, wharf and levees, implosion is not a viable option.

If you have any questions, please feel free to call.

Sincerely,

White Construction Company

Chad Pippin
Vice President

613 Crescent Circle, Suite 100 | Ridgeland, Mississippi | 39157
Phone 601.898.5180 | Fax 601.898.5190
www.whiteconst.com

WHITE CONSTRUCTION ESTIMATE FOR NEW HIGH-RISE



**WHITE CONSTRUCTION
COMPANY**

GENERAL CONTRACTING • CONSTRUCTION MANAGEMENT • DESIGN/BUILD

Budget Construction Cost for New High Rise Hotel & Apartment Building

700,000 sf

			Unit Price	Total	Cost/sf
General Conditions	01001	GENERAL CONDITIONS	18.03 /sf	12,621,000	
Site Work	700,000	sf (Total building Area)			
		SITE WORK SUB TOTAL		650,790	0.93
Ground Floor	20,213	sf Lobby, Check-In, Restaurant			
		Ground Floor Sub Total		5,569,692	275.55
Level 2	12,400	sf Hotel Admin. & B.O.H.			
		Level 2 Sub Total		2,711,012	218.63
Level 3	22,500	sf Ballrooms/Meeting Rooms			
		Level 3 Sub Total		2,713,133	120.58
Level 4	22,500	sf Hotel Guest Rooms			
		Level 4 Sub Total		5,116,050	227.38
Level 5	22,500	sf Spa Suites & Fitness			
		Level 5 Sub Total		4,543,650	201.94
Levels 6 thru 12	157,500	sf Typical Hotel Levels			
		Typical hotel Level Sub Total		36,347,850	230.78
Levels 13 Thru 30	405,000	sf Typical Apartments			
		Typical Apartment Level Sub Total		91,056,150	224.83
Level 31	22,500	sf Apartment Leasing/Amenities			
		Level 31 Sub Total		5,761,800	256.08
Level 32	7,450	Mechanical			
		Level 32 Sub Total		1,367,969	183.62
Level 33	7,450	Jazz Club			
		Level 33 Sub Total		1,988,629	266.93
Total Building Area	700,013	sf Total Project Cost		170,447,725	243.49

Based upon the expert 3rd party reports and estimates above, the key points to emphasize that influence our ultimate valuation of the WTC property include:

- Comparable vacant high-rise building sales such as the Hibernia, the Saratoga, and Chevron were all in the \$13 per SF range. The WTC as-is valuation at \$13 per SF would be approximately \$8.7 million.
- However, the most directly comparable vacant high-rise sale to the WTC, based on building size, time period, and condition, was the Plaza Tower which sold for \$650,000 in late 2011, contained 500,000 square feet on 45 stories, and was already completely gutted and environmentally remediated. Based upon this comparable sale, the WTC valuation as-is would be worth less than \$1 million.
- The highest recent comparable vacant land/parking lot sale per SF in the CBD was the old Trump site lot on Poydras between Camp and Magazine, which sold for roughly \$130 per SF. All other vacant land/parking lots comps were in the \$70-100 per SF range.
- The WTC site totals 86,212 square feet according to the survey, but approximately 21,000 square feet of this parcel is currently occupied by the active train tracks, and as we understand, is no longer feasible to build on top of today as was done with the original, historic WTC structure. As a result, the buildable land of the WTC site is approximately 65,000 square feet in reality if WTC demolition was hypothetically pursued.
- Even if the WTC was arguably worth \$150 per SF as vacant land due to its prime location, which would be a new record high sale per foot in the CBD in recent years, the 65,000 square feet of buildable land would be valued at \$9.75 million.
- However, as evidenced by the demolition estimate above, the WTC cannot simply be imploded, and the projected demolition cost will likely exceed \$10 million and require nearly 2 years to complete. As a result, the land would have a negative value if demolition was misguidedly pursued.
- Moreover, the new construction high-rise hard cost estimate by White Construction above also demonstrates

that it would clearly be economically impossible to build back anything remotely as large or impactful as our proposed \$190 million WTC mixed-use program. If the same program was pursued via demolition and new construction on the WTC site, the total hard costs would be roughly \$170 million, plus the \$10+ million and 2 years for demolition, plus the soft costs of approximately \$70 million, for a total development budget that would exceed \$250 million, not including any payment for acquisition of the WTC, and not receiving any historic tax credit incentives. On the other hand, our adaptive re-use plan total effective budget after HTC equity is deducted and not including WTC acquisition is approximately \$105 million.

Based on all of the considerations and evidence above, a realistic and objective market valuation for the as-is WTC property is frankly close to zero, perhaps in the low millions at most in its current condition. However, pending final due diligence and property inspections including environmental, our team is prepared to offer \$10 million in pre-paid rent to the NOBC/City for a 99-year lease of the WTC property even though we believe this amount is higher than the WTC's true as-is market value with one primary suggestion - that the NOBC/City considers dedicating these substantial new proceeds to help fund the extremely important master site plan civic improvements outlined in section 1B. As explained in more detail below in Section 4E, we hope the NOBC/City also agrees to dedicate and leverage the other substantial new, potential income and new recurring sources of revenue generated by our major private \$190 million WTC redevelopment plan in order to successfully fund and execute the major civic improvements described in our master site plan proposal, while minimizing or eliminating the need for using limited, existing City resources which certainly can be put to productive use for important projects in other areas of the City. We believe the \$10 million in pre-paid rent for a 99-year lease at the WTC would be a valuable and significant down payment on this critical civic master plan, rather than the \$10 million in new proceeds going into a general fund with undetermined future use or uncertain public benefits.

B. PRO FORMA DEVELOPMENT BUDGET AND OPERATING PROJECTIONS

WTC TOWER NEW ORLEANS

W NEW ORLEANS RIVERFRONT & NON-BRANDED RESIDENTIAL UNITS

W Hotel - 245 Keys + 280 Non-Branded Residential Units + Restaurant

Note: The following development budget is conceptual, assuming no environmental services.

TOTAL DEVELOPMENT BUDGET

World Trade Center New Orleans

W New Orleans Riverfront & Non-Branded Residential Units

W Hotel - 245 Keys + 280 Non-Branded Residential Units + Restaurant

Thursday, April 11, 2013

DESCRIPTION	TOTAL BUDGET 100%
LAND	
LAND TOTALS	\$10,000,000
FINANCING	
FINANCING TOTAL	\$11,885,500
PROJECT GENERAL CONDITIONS	
GC TOTALS	\$1,072,500
CONSTRUCTION	
CONSTRUCTION TOTAL	\$118,818,544
FFE	
FFE TOTAL	\$10,726,749
OSE	
OSE TOTAL	\$3,698,640
TECH & COMMUNICATION	
TECH & COMM. TOTAL	\$1,069,508
PROFESSIONALS	
PROFESSIONALS TOTAL	\$11,357,500
LEGAL & INSURANCE	
LEGAL TOTAL	\$6,479,000
DEVELOPMENT	
DEVELOPMENT TOTAL	\$10,172,617
PRE-OPENING	
PRE-OPENING TOTAL	\$4,404,400
Development Total Cost	\$189,684,958

An extensive budget has been completed in preparation for this RFP, for which a summary is provided above. Greater detail of the budget is available upon request

W HOTEL OPERATING PRO FORMA

W New Orleans World Trade Center

Projected Statement of Operations

Note: Currency: USD

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Hotel Rooms	245	245	245	245	245	245	245	245	245	245
Hotel Rooms Available	89,670	89,425	89,425	89,425	89,670	89,425	89,425	89,425	89,670	89,425
Hotel Rooms Occupied	56,492.1	60,809	66,175	66,175	66,356	66,175	66,175	66,175	66,356	66,175
Hotel Occupancy	63.0%	68.0%	74.0%	74.0%	74.0%	74.0%	74.0%	74.0%	74.0%	74.0%
Hotel ADR USD	222.00	233.00	245.00	252.00	260.00	268.00	276.00	284.00	293.00	301.00
Hotel RevPAR USD	139.86	158.44	181.30	186.48	192.40	198.32	204.24	210.16	216.82	222.74
Revenues:										
Total Rooms	12,541	14,168	16,213	16,676	17,253	17,735	18,264	18,794	19,442	19,919
Banquets & Catering - Food	2,055	2,335	2,666	2,746	2,836	2,913	3,001	3,091	3,192	3,279
Banquets & Catering - Beverage	377	423	478	492	508	522	537	554	572	587
All Other F&B - Food	3,067	3,375	3,714	3,826	3,951	4,058	4,180	4,306	4,447	4,568
All Other F&B - Beverage	3,361	3,670	4,001	4,121	4,256	4,371	4,503	4,638	4,790	4,920
Total Food & Beverage	8,861	9,804	10,858	11,184	11,551	11,865	12,221	12,588	13,001	13,354
MOD - Additional Line	-	-	-	-	-	-	-	-	-	-
Total Other Operated Departments	1,327	1,553	1,832	1,887	1,949	2,002	2,062	2,124	2,193	2,253
Rentals & Other Income	80	94	111	114	118	121	125	128	132	136
Total Revenues	22,809	25,619	29,013	29,861	30,870	31,722	32,672	33,633	34,769	35,662
Change		12.3%	13.3%	2.9%	3.4%	2.8%	3.0%	2.9%	3.4%	2.6%
Departmental Profits:										
Total Rooms	9,075	10,590	12,499	12,851	13,302	13,677	14,084	14,488	14,996	15,351
Food & Beverage	1,749	2,239	2,818	2,903	2,998	3,080	3,172	3,267	3,374	3,466
MOD - Additional Line	-	-	-	-	-	-	-	-	-	-
Total Other Operated Departments	270	339	432	445	460	472	486	501	517	531
Rentals & Other Income	80	94	111	114	118	121	125	128	132	136
Total Departmental Profits	11,173	13,262	15,860	16,313	16,877	17,349	17,867	18,385	19,202	19,485
Undistributed Operating Expenses:										
Administrative & General	1,889	1,889	1,946	2,004	2,064	2,126	2,190	2,256	2,323	2,393
Credit Card Commissions	525	589	667	687	710	730	751	774	800	820
Marketing	1,585	1,248	1,285	1,324	1,364	1,404	1,447	1,490	1,535	1,581
SPG Fees (% of GOR)	525	589	667	687	710	730	751	774	800	820
Chain Marketing Fees (% of GRR)	-	-	-	-	-	-	-	-	-	-
Chain Marketing Fees (% of GOR)	438	492	557	573	593	609	627	646	668	685
Property Operations & Maintenance	682	757	796	819	844	869	895	922	950	979
Energy	381	423	474	488	504	518	534	550	568	583
Total Undistributed Operating Exps	6,026	5,987	6,393	6,583	6,789	6,987	7,196	7,411	7,643	7,861
GROSS OPERATING PROFIT	5,147	7,275	9,467	9,730	10,088	10,363	10,671	10,974	11,377	11,624
Fixed Charges:										
Real Estate Taxes	551	568	585	603	621	639	659	678	699	720
Insurance	569	586	603	621	640	659	679	699	720	742
Equipment Lease	19	19	20	20	21	22	22	23	24	24
Total Fixed Charges	1,139	1,173	1,208	1,244	1,282	1,320	1,360	1,400	1,442	1,486
Condominium Owner Charge Back	-	-	-	-	-	-	-	-	-	-
Distribution to Condominium Owners	-	-	-	-	-	-	-	-	-	-
EBITDA BEFORE MGMT FEES	4,009	6,102	8,259	8,486	8,807	9,043	9,311	9,574	9,935	10,138
Management Fees:										
Base Management Fees	912	1,025	1,161	1,194	1,235	1,269	1,307	1,345	1,391	1,426
Incentive Management Fees	-	-	-	-	-	-	-	-	-	-
Total Management Fees:	912	1,025	1,161	1,194	1,235	1,269	1,307	1,345	1,391	1,426
EBITDA	3,096	5,077	7,099	7,291	7,572	7,774	8,005	8,228	8,544	8,712
Reserve for Replacement	228	512	870	1,194	1,235	1,269	1,307	1,345	1,391	1,426
NOI	2,868	4,565	6,228	6,097	6,337	6,505	6,698	6,883	7,153	7,285

Notes to the Pro Forma:

1. This Pro Forma assumes an underlying monetary inflation rate of 3% p.a.
2. The Pro Forma was created in accordance with the 10th edition of the Uniform System of Accounts for the Lodging Industry.
3. The Pro Forma is predicated on the following facilities at the subject property: 245 rooms, 3-Meal Restaurant (3,600 SF), Living Room Bar/Café (2,350 SF), Pool Bar/Grill (600 SF), Destination Bar (1,650 SF) and 18,000 SF of meeting space. It is assumed all F&B outlets are Starwood-managed.
4. The Pro Forma also assumes the following amenities: Outdoor pool, SWEAT fitness center (700 SF), W Store and Starwood-managed Spa (4,180 SF; 5 treatment rooms).
5. Other Operated Departments projections include revenues and profits from: Telecom (\$1.75 POR, 10% margin), Guest Laundry (\$0.30 POR, 15% margin), Spa (\$12 POR, 18% margin), and Parking (\$8.50 POR, 35% margin).
6. Rent and Other Income includes: Commissions, Misc. income, In-Room Movies and Other.
7. Year one marketing expense includes: \$300,000 allocated for launch events/spend including opening day party.
8. Real estate taxes are based on average assessment PAR for W New Orleans and Sheraton New Orleans hotels. Further due diligence required.
9. Forecast insurance includes terrorism insurance costs and was estimated based on a per-key hotel development cost of \$300,000.
10. Base management fee is 4% of GOR; incentive management fee is to be determined.
11. FF&E reserve is expected to ramp 1% in Year 1, 2% in Year 2, 3% in Year 3 and 4% thereafter.
12. Projections assume non-union operation.
13. The W is part of a master redevelopment of the existing World Trade Center building on site that also includes 200 rental apartments. Projections assume that all MUD components will be completed and open at the same time.

WTC APARTMENT PRO FORMA

Stabilized Operating Proforma 2016 Project: World Trade Center New Orleans Location: New Orleans, LA Scenario: Apartments									
UNIT MIX:									
<u>Unit Type</u>	<u>Unit Description</u>	<u># of Units</u>	<u>Unit Mix</u>	<u>Unit Area</u>	<u>Total Area</u>	<u>Unit Rent</u>	<u>Rent Per SF</u>	<u>Total Rent per month</u>	<u>Percent of Income</u>
A1	1 BEDROOM/1 BATH	17	6%	653	11,101	\$1,306	\$2.00	\$22,202	4%
A2	1 BEDROOM/1 BATH	17	17%	653	11,101	\$1,306	\$2.00	\$22,202	4%
A3	1 BEDROOM/1 BATH	34	12%	665	22,610	\$1,330	\$2.00	\$45,220	8%
A4	1 BEDROOM/1 BATH	17	6%	763	12,971	\$1,526	\$2.00	\$25,942	5%
A5	1 BEDROOM/1 BATH	17	6%	781	13,277	\$1,562	\$2.00	\$26,554	5%
A6	1 BEDROOM/1 BATH	34	12%	853	29,002	\$1,706	\$2.00	\$58,004	11%
A7	1 BEDROOM/1 BATH	34	12%	868	29,512	\$1,736	\$2.00	\$59,024	11%
A8	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
B1	2 BEDROOM/2 BATH	34	12%	1,055	35,870	\$2,110	\$2.00	\$71,740	13%
B2	2 BEDROOM/2 BATH	17	6%	1,143	19,431	\$2,286	\$2.00	\$38,862	7%
B3	2 BEDROOM/2 BATH	17	6%	1,144	19,448	\$2,288	\$2.00	\$38,896	7%
B4	2 BEDROOM/2 BATH	17	6%	1,436	24,412	\$2,872	\$2.00	\$48,824	9%
B5	2 BEDROOM/2 BATH	17	6%	1,454	24,718	\$2,908	\$2.00	\$49,436	9%
B6	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
C1	3 BEDROOM/2 BATH	8	3%	2,160	17,277	\$4,320	\$2.00	\$34,560	6%
C1 ALT1	3 BEDROOM/2 BATH	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
N/A	N/A	0	0%	0	0	\$0	\$0.00	\$0	0%
LEASING	Clubhouse	0	0%	0	0	\$0	\$0.00	\$0	0%
FIT/REC	Clubhouse	0	0%	0	0	\$0	\$0.00	\$0	0%
Total / Avg. Multifamily:		280	100%	967	270,730	\$1,934	\$2.00	\$541,466	100%
GROSS ANNUAL INCOME:									
- Multifamily Rental Income	270,730	NRSF	at	\$24.00	per NRSF	-->		\$6,497,592	90%
- Retail Rental Income	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Retail Recoveries	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Office Rental Income	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Office Recoveries	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Hotel Income (NOI)	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Existing Income / Cash Flow	0	RSF	at	\$0.00	per RSF	-->		\$0	0%
- Parking & Other Income									0%
Garage - reserved parking	18	units	at	\$3,600.00	per units	-->		\$64,800	1%
33rd floor Restaurant	7,500	sf	at	\$375,000.00		-->		\$375,000	5%
Carports - detached	0	units	at	\$420.00	per units	-->		\$0	0%
Pool Views	0	units	at	\$240.00	per units	-->		\$0	0%
Storage	280	units	at	\$600.00	per units	-->		\$168,000	2%
Premiums	0	units	at	\$0.00	per units	-->		\$0	0%
Misc. Income	\$30	/ unit / mo. ->		\$360.00	per unit	-->		\$100,800	1%
Total Gross Annual Income:								\$7,206,192	100%
- Less a Vacancy Rate of 5% for Retail & Office	-->	0 SF						\$0	
- Less a Vacancy Rate of 5% for Multifamily	-->	14 units/beds						\$360,310	
Effective Gross Income (EGI):								\$6,845,882	100%
ANNUAL OPERATING EXPENSES:									
- Multifamily Expenses				<u>Per NRSF</u>	<u>Per Unit</u>			<u>Total</u>	
Salary & Related				\$1.53	\$1,483			\$415,174	17%
Advertising & Promotion				\$0.21	\$200			\$56,000	2%
Repairs & Maintenance				\$0.93	\$904			\$253,048	10%
Management Fee 4.00%				\$0.99	\$957			\$268,070	11%
Administrative Expenses				\$0.35	\$338			\$94,756	4%
Utilities				\$1.06	\$1,028			\$287,856	12%
Taxes - Real Estate				\$2.22	\$2,149			\$601,595	25%
Insurance				\$1.30	\$1,261			\$352,998	15%
Reserves for replacement				\$0.31	\$300			\$84,000	3%
Total Residential Operating Expenses								\$2,413,496	100%
Total Commercial Operating Expenses								\$0	
Total Operating Expenses:								\$2,413,496	36%
Net Operating Income:								\$4,432,386	64%

WTC APARTMENT PRO FORMA

Operating Expense Detail by Category

Project: World Trade Center New Orleans

Location: New Orleans, LA

Scenario: Apartments

Advertising & Promotion	Budget	Per Unit	Per NRSF	Management Fee		Budget	Per Unit	Per NRSF
Promotion	\$0	\$0	\$0.00	Third Party Mgmt Co. 4.00%		\$268,070	\$957	\$0.99
Web Site / E-Commerce	\$0	\$0	\$0.00	Minimum During Lease-up		\$42,000	\$150	\$0.16
Locator Fees	\$0	\$0	\$0.00					
Brochures	\$0	\$0	\$0.00					
Model Accessories	\$0	\$0	\$0.00	Repairs & Maintenance		Budget	Per Unit	Per NRSF
Signs	\$0	\$0	\$0.00	General Maintenance		\$203,048	\$725	\$0.75
Media	\$0	\$0	\$0.00	Turnover Maintenance		\$0	\$0	\$0.00
Other	\$0	\$0	\$0.00	Landscaping		\$0	\$0	\$0.00
A & P as Total	\$56,000	\$200	\$0.21	Furniture		\$0	\$0	\$0.00
Total Advert. & Promo.	\$56,000	\$200	\$0.21	Elevator		\$50,000	\$179	\$0.18
				Other		\$0	\$0	\$0.00
				Total Repairs & Maintenance		\$253,048	\$904	\$0.93
Salary & Related	Budget	Per Unit	Per NRSF	Reserve for Replacements		Budget	Per Unit	Per NRSF
Business Mgr.	\$60,000	\$214	\$0.22	Reserve for Replacements		\$84,000	\$300	\$0.31
Asst. Mgr. #1	\$40,000	\$143	\$0.15					
Leasing Director	\$30,000	\$107	\$0.11	Administrative Expenses		Budget	Per Unit	Per NRSF
Leasing Agent	\$24,000	\$86	\$0.09	Office Supplies		\$0	\$0	\$0.00
Leasing Agent	\$24,000	\$86	\$0.09	Security Patrol		\$0	\$0	\$0.00
Service Technician	\$45,000	\$161	\$0.17	Burglar Alarm Payment		\$0	\$0	\$0.00
Asst. Technician (PT)	\$34,000	\$121	\$0.13	Telephone		\$0	\$0	\$0.00
Porter	\$24,000	\$86	\$0.09	Employee Training		\$0	\$0	\$0.00
Porter	\$24,000	\$86	\$0.09	Printing		\$0	\$0	\$0.00
Bonus	\$29,433	\$105	\$0.11	Equipment Expense		\$0	\$0	\$0.00
Overtime	\$0	\$0	\$0.00	Professional Fees		\$0	\$0	\$0.00
Salary Related Exp.	\$80,741	\$288	\$0.30	General Admin.		\$0	\$0	\$0.00
Total Salary & Related	\$415,174	\$1,483	\$1.53	Miscellaneous - POA dues		\$0	\$0	\$0.00
				Other - GROSS MARGIN TAX		\$0	\$0	\$0.00
Utilities	Budget	Per Unit	Per NRSF	Admin as Total		\$94,756	\$338	\$0.35
Water	\$197,246	\$704	\$0.73	Total Admin. Expenses		\$94,756	\$338	\$0.35
Water/Sewer Recovery	\$0	\$0	\$0.00					
Electricity	\$40,610	\$145	\$0.15	Insurance		Budget	Per Unit	Per NRSF
Electricity Recovery	\$0	\$0	\$0.00	Total Insurance (Apts)		\$352,998	\$1,261	\$1.30
Gas	\$0	\$0	\$0.00					
Gas Recovery	\$0	\$0	\$0.00	Real Estate Tax		Budget	Per Unit	Per NRSF
Garbage	\$50,000	\$179	\$0.18	Total Tax (Apartments)		\$601,595	\$2,149	\$2.22
Garbage Recovery	\$0	\$0	\$0.00					
Cable TV	\$0	\$0	\$0.00					
Telephone	\$0	\$0	\$0.00					
Internet	\$0	\$0	\$0.00					
Other	\$0	\$0	\$0.00					
Total Utilities	\$287,856	\$1,028	\$1.06					
Retail		Budget	Per RSF	Office		Budget	Per RSF	
Management Fee 4.0%		\$0	\$0.00	Management Fee 0.0%		\$0	\$0.00	
Other Administrative		\$0	\$0.00	Other Administrative		\$0	\$0.00	
Common Area Maintenance		\$0	\$0.00	Common Area Maintenance		\$0	\$0.00	
Insurance		\$0	\$0.00	Insurance		\$0	\$0.00	
Real Estate Tax		\$0	\$0.00	Real Estate Tax		\$0	\$0.00	
Total Retail		\$0	\$0.00	Total Office		\$0	\$0.00	

WTC APARTMENT PRO FORMA

Lease-Up Summary Project: World Trade Center New Orleans Location: New Orleans, LA Scenario: Apartments														
Project Schedule				Apartments Lease-Up					Commercial Lease-Up		Income / Expenses / NOI			
Chron. Month	Project Status	Actual Month	Actual Year	New Units	Total Units	Move-Ins	Move-Outs	Total Occ.	New SF Occupied	Total SF Occupied	Total Income	Total Expenses	Total NOI	
1	Const	11	2013	0	0	0	0	0	0	0	\$0	\$0	\$0	
2	Const	12	2013	0	0	0	0	0	0	0	\$0	\$0	\$0	
3	Const	1	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
4	Const	2	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
5	Const	3	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
6	Const	4	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
7	Const	5	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
8	Const	6	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
9	Const	7	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
10	Const	8	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
11	Const	9	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
12	Const	10	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
13	Const	11	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
14	Const	12	2014	0	0	0	0	0	0	0	\$0	\$0	\$0	
15	Const	1	2015	0	0	0	0	0	0	0	\$0	\$0	\$0	
16	Const	2	2015	0	0	0	0	0	0	0	\$0	\$0	\$0	
17	Const	3	2015	0	0	0	0	0	0	0	\$0	\$0	\$0	
18	Const	4	2015	0	0	0	0	0	0	0	\$0	\$0	\$0	
19	Const	5	2015	0	0	0	0	0	0	0	\$0	\$0	\$0	
20	Const	6	2015	0	0	0	0	0	0	0	\$0	\$64,087	(\$64,087)	
21	Const	7	2015	0	0	0	0	0	0	0	\$0	\$64,087	(\$64,087)	
22	Const	8	2015	0	0	0	0	0	0	0	\$0	\$64,087	(\$64,087)	
23	Const	9	2015	0	0	0	0	0	0	0	\$0	\$64,087	(\$64,087)	
24	Const	10	2015	280	280	0	0	0	0	0	\$0	\$64,837	(\$64,837)	
25	Lease-Up	11	2015	0	280	10	0	10	0	0	\$2,109	\$111,826	(\$109,717)	
26	Lease-Up	12	2015	0	280	15	0	25	0	0	\$24,610	\$113,208	(\$88,598)	
27	Lease-Up	1	2016	0	280	20	0	45	0	0	\$57,835	\$160,439	(\$102,604)	
28	Lease-Up	2	2016	0	280	20	0	65	0	0	\$100,729	\$163,997	(\$63,268)	
29	Lease-Up	3	2016	0	280	20	0	85	0	0	\$143,623	\$167,555	(\$23,932)	
30	Lease-Up	4	2016	0	280	20	0	105	0	0	\$186,517	\$171,114	\$15,404	
31	Lease-Up	5	2016	0	280	20	0	125	0	0	\$229,411	\$174,672	\$54,740	
32	Lease-Up	6	2016	0	280	20	0	145	0	0	\$293,180	\$179,065	\$114,116	
33	Lease-Up	7	2016	0	280	20	0	165	0	0	\$332,457	\$182,478	\$149,978	
34	Lease-Up	8	2016	0	280	20	0	185	0	0	\$371,733	\$185,892	\$185,841	
35	Lease-Up	9	2016	0	280	20	0	205	0	0	\$411,009	\$189,305	\$221,704	
36	Lease-Up	10	2016	0	280	20	0	225	0	0	\$458,987	\$193,114	\$265,873	
37	Lease-Up	11	2016	0	280	20	0	245	0	0	\$499,037	\$196,613	\$302,424	
38	Lease-Up	12	2016	0	280	15	0	260	0	0	\$538,743	\$209,903	\$328,840	
39	Stabilized	1	2017	0	280	1	1	260	0	0	\$567,750	\$204,100	\$363,650	
40	Stabilized	2	2017	0	280	1	1	260	0	0	\$568,696	\$204,293	\$364,404	
41	Stabilized	3	2017	0	280	1	1	260	0	0	\$569,644	\$204,486	\$365,159	
42	Stabilized	4	2017	0	280	1	1	260	0	0	\$570,594	\$204,679	\$365,915	
43	Stabilized	5	2017	0	280	1	1	260	0	0	\$571,545	\$204,872	\$366,672	
44	Stabilized	6	2017	0	280	1	1	260	0	0	\$572,497	\$205,066	\$367,431	
45	Stabilized	7	2017	0	280	1	1	260	0	0	\$573,451	\$205,260	\$368,191	
46	Stabilized	8	2017	0	280	1	1	260	0	0	\$574,407	\$205,455	\$368,952	
47	Stabilized	9	2017	0	280	1	1	260	0	0	\$575,364	\$205,650	\$369,715	
48	Stabilized	10	2017	0	280	1	1	260	0	0	\$576,323	\$205,845	\$370,479	
49	Stabilized	11	2017	0	280	1	1	260	0	0	\$577,284	\$206,040	\$371,244	
50	Stabilized	12	2017	0	280	1	1	260	0	0	\$578,246	\$206,236	\$372,010	
51	Stabilized	1	2018	0	280	1	1	260	0	0	\$579,210	\$207,475	\$371,735	
52	Stabilized	2	2018	0	280	1	1	260	0	0	\$580,175	\$207,672	\$372,504	
53	Stabilized	3	2018	0	280	1	1	260	0	0	\$581,142	\$207,868	\$373,274	
54	Stabilized	4	2018	0	280	1	1	260	0	0	\$582,111	\$208,065	\$374,045	
55	Stabilized	5	2018	0	280	1	1	260	0	0	\$583,081	\$208,263	\$374,818	
56	Stabilized	6	2018	0	280	1	1	260	0	0	\$584,053	\$208,461	\$375,592	
57	Stabilized	7	2018	0	280	1	1	260	0	0	\$585,026	\$208,659	\$376,367	
58	Stabilized	8	2018	0	280	1	1	260	0	0	\$586,001	\$208,857	\$377,144	
59	Stabilized	9	2018	0	280	1	1	260	0	0	\$586,978	\$209,056	\$377,922	
60	Stabilized	10	2018	0	280	1	1	260	0	0	\$587,956	\$209,255	\$378,701	
61	Stabilized	11	2018	0	280	1	1	260	0	0	\$588,936	\$209,454	\$379,482	
62	Stabilized	12	2018	0	280	1	1	260	0	0	\$589,918	\$209,654	\$380,264	
63	Stabilized	1	2019	0	280	1	1	260	0	0	\$590,901	\$210,918	\$379,983	
64	Stabilized	2	2019	0	280	1	1	260	0	0	\$591,886	\$211,118	\$380,767	
65	Stabilized	3	2019	0	280	1	1	260	0	0	\$592,872	\$211,319	\$381,553	
66	Stabilized	4	2019	0	280	1	1	260	0	0	\$593,860	\$211,520	\$382,340	
67	Stabilized	5	2019	0	280	1	1	260	0	0	\$594,850	\$211,722	\$383,128	
68	Stabilized	6	2019	0	280	1	1	260	0	0	\$595,841	\$211,923	\$383,918	
69	Stabilized	7	2019	0	280	1	1	260	0	0	\$596,834	\$212,125	\$384,709	
70	Stabilized	8	2019	0	280	1	1	260	0	0	\$597,829	\$212,328	\$385,501	
71	Stabilized	9	2019	0	280	1	1	260	0	0	\$598,826	\$212,531	\$386,295	
72	Stabilized	10	2019	0	280	1	1	260	0	0	\$599,824	\$212,734	\$387,090	
73	Stabilized	11	2019	0	280	1	1	260	0	0	\$600,823	\$212,937	\$387,886	
74	Stabilized	12	2019	0	280	1	1	260	0	0	\$601,825	\$213,141	\$388,684	
75	Stabilized	1	2020	0	280	1	1	260	0	0	\$602,828	\$214,430	\$388,397	

Confidential

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WTC APARTMENT PRO FORMA

76	Stabilized	2	2020	0	280	1	1	260	0	0	\$603,832	\$214,635	\$389,198
77	Stabilized	3	2020	0	280	1	1	260	0	0	\$604,839	\$214,840	\$389,999
78	Stabilized	4	2020	0	280	1	1	260	0	0	\$605,847	\$215,045	\$390,802
79	Stabilized	5	2020	0	280	1	1	260	0	0	\$606,857	\$215,250	\$391,607
80	Stabilized	6	2020	0	280	1	1	260	0	0	\$607,868	\$215,456	\$392,412
81	Stabilized	7	2020	0	280	1	1	260	0	0	\$608,881	\$215,662	\$393,219
82	Stabilized	8	2020	0	280	1	1	260	0	0	\$609,896	\$215,869	\$394,027
83	Stabilized	9	2020	0	280	1	1	260	0	0	\$610,913	\$216,075	\$394,837
84	Stabilized	10	2020	0	280	1	1	260	0	0	\$611,931	\$216,283	\$395,648
85	Stabilized	11	2020	0	280	1	1	260	0	0	\$612,951	\$216,490	\$396,460
86	Stabilized	12	2020	0	280	1	1	260	0	0	\$613,972	\$216,698	\$397,274
87	Stabilized	1	2021	0	280	1	1	260	0	0	\$614,995	\$218,013	\$396,982
88	Stabilized	2	2021	0	280	1	1	260	0	0	\$616,020	\$218,222	\$397,799
89	Stabilized	3	2021	0	280	1	1	260	0	0	\$617,047	\$218,431	\$398,616
90	Stabilized	4	2021	0	280	1	1	260	0	0	\$618,076	\$218,640	\$399,436
91	Stabilized	5	2021	0	280	1	1	260	0	0	\$619,106	\$218,850	\$400,256
92	Stabilized	6	2021	0	280	1	1	260	0	0	\$620,138	\$219,059	\$401,078
93	Stabilized	7	2021	0	280	1	1	260	0	0	\$621,171	\$219,270	\$401,901
94	Stabilized	8	2021	0	280	1	1	260	0	0	\$622,206	\$219,480	\$402,726
95	Stabilized	9	2021	0	280	1	1	260	0	0	\$623,243	\$219,691	\$403,552
96	Stabilized	10	2021	0	280	1	1	260	0	0	\$624,282	\$219,903	\$404,379
97	Stabilized	11	2021	0	280	1	1	260	0	0	\$625,323	\$220,115	\$405,208
98	Stabilized	12	2021	0	280	1	1	260	0	0	\$626,365	\$220,327	\$406,038
99	Stabilized	1	2022	0	280	1	1	260	0	0	\$627,409	\$221,668	\$405,741
100	Stabilized	2	2022	0	280	1	1	260	0	0	\$628,454	\$221,881	\$406,573
101	Stabilized	3	2022	0	280	1	1	260	0	0	\$629,502	\$222,094	\$407,408
102	Stabilized	4	2022	0	280	1	1	260	0	0	\$630,551	\$222,308	\$408,243
103	Stabilized	5	2022	0	280	1	1	260	0	0	\$631,602	\$222,521	\$409,081
104	Stabilized	6	2022	0	280	1	1	260	0	0	\$632,655	\$222,736	\$409,919
105	Stabilized	7	2022	0	280	1	1	260	0	0	\$633,709	\$222,950	\$410,759
106	Stabilized	8	2022	0	280	1	1	260	0	0	\$634,765	\$223,165	\$411,600
107	Stabilized	9	2022	0	280	1	1	260	0	0	\$635,823	\$223,380	\$412,443
108	Stabilized	10	2022	0	280	1	1	260	0	0	\$636,883	\$223,596	\$413,287
109	Stabilized	11	2022	0	280	1	1	260	0	0	\$637,944	\$223,812	\$414,132
110	Stabilized	12	2022	0	280	1	1	260	0	0	\$639,008	\$224,028	\$414,979
111	Stabilized	1	2023	0	280	1	1	260	0	0	\$640,073	\$225,397	\$414,676
112	Stabilized	2	2023	0	280	1	1	260	0	0	\$641,139	\$225,614	\$415,526
113	Stabilized	3	2023	0	280	1	1	260	0	0	\$642,208	\$225,831	\$416,377
114	Stabilized	4	2023	0	280	1	1	260	0	0	\$643,278	\$226,049	\$417,229
115	Stabilized	5	2023	0	280	1	1	260	0	0	\$644,350	\$226,267	\$418,083
116	Stabilized	6	2023	0	280	1	1	260	0	0	\$645,424	\$226,486	\$418,939
117	Stabilized	7	2023	0	280	1	1	260	0	0	\$646,500	\$226,705	\$419,795
118	Stabilized	8	2023	0	280	1	1	260	0	0	\$647,578	\$226,924	\$420,654
119	Stabilized	9	2023	0	280	1	1	260	0	0	\$648,657	\$227,143	\$421,513
120	Stabilized	10	2023	0	280	1	1	260	0	0	\$649,738	\$227,363	\$422,374
121	Stabilized	11	2023	0	280	1	1	260	0	0	\$650,821	\$227,584	\$423,237
122	Stabilized	12	2023	0	280	1	1	260	0	0	\$651,906	\$227,805	\$424,101
123	Stabilized	1	2024	0	280	1	1	260	0	0	\$652,992	\$229,200	\$423,792
124	Stabilized	2	2024	0	280	1	1	260	0	0	\$654,080	\$229,422	\$424,659
125	Stabilized	3	2024	0	280	1	1	260	0	0	\$655,170	\$229,644	\$425,527
126	Stabilized	4	2024	0	280	1	1	260	0	0	\$656,262	\$229,866	\$426,397
127	Stabilized	5	2024	0	280	1	1	260	0	0	\$657,356	\$230,088	\$427,268
128	Stabilized	6	2024	0	280	1	1	260	0	0	\$658,452	\$230,311	\$428,140
129	Stabilized	7	2024	0	280	1	1	260	0	0	\$659,549	\$230,535	\$429,015
130	Stabilized	8	2024	0	280	1	1	260	0	0	\$660,648	\$230,758	\$429,890
131	Stabilized	9	2024	0	280	1	1	260	0	0	\$661,750	\$230,982	\$430,767
132	Stabilized	10	2024	0	280	1	1	260	0	0	\$662,852	\$231,207	\$431,646
133	Stabilized	11	2024	0	280	1	1	260	0	0	\$663,957	\$231,432	\$432,526
134	Stabilized	12	2024	0	280	1	1	260	0	0	\$665,064	\$231,657	\$433,407
135	Stabilized	1	2025	0	280	1	1	260	0	0	\$666,172	\$233,081	\$433,092
136	Stabilized	2	2025	0	280	1	1	260	0	0	\$667,283	\$233,306	\$433,976
137	Stabilized	3	2025	0	280	1	1	260	0	0	\$668,395	\$233,533	\$434,862
138	Stabilized	4	2025	0	280	1	1	260	0	0	\$669,509	\$233,759	\$435,749
139	Stabilized	5	2025	0	280	1	1	260	0	0	\$670,625	\$233,986	\$436,638
140	Stabilized	6	2025	0	280	1	1	260	0	0	\$671,742	\$234,214	\$437,528
141	Stabilized	7	2025	0	280	1	1	260	0	0	\$672,862	\$234,442	\$438,420
142	Stabilized	8	2025	0	280	1	1	260	0	0	\$673,983	\$234,670	\$439,313
143	Stabilized	9	2025	0	280	1	1	260	0	0	\$675,107	\$234,898	\$440,208
144	Stabilized	10	2025	0	280	1	1	260	0	0	\$676,232	\$235,127	\$441,104
145	Stabilized	11	2025	0	280	1	1	260	0	0	\$677,359	\$235,357	\$442,002
146	Stabilized	12	2025	0	280	1	1	260	0	0	\$678,488	\$235,586	\$442,901
147	Stabilized	1	2026	0	280	1	1	260	0	0	\$679,619	\$237,039	\$442,580
148	Stabilized	2	2026	0	280	1	1	260	0	0	\$680,751	\$237,269	\$443,482
149	Stabilized	3	2026	0	280	1	1	260	0	0	\$681,886	\$237,500	\$444,386
150	Stabilized	4	2026	0	280	1	1	260	0	0	\$683,022	\$237,731	\$445,291
151	Stabilized	5	2026	0	280	1	1	260	0	0	\$684,161	\$237,963	\$446,198

Assumptions: 1) Lease-Up Concessions: 1.0 month free rent spread over the first 1 months of the lease term.
2) Apartments: 2.00% annual rent increase and 2.00% annual expense increase.
3) Commercial: 3.00% annual rent increase and 3.00% annual expense increase.

C. PROPOSED FINANCING SOURCES AND USES

World Trade Center - W Hotel and Luxury Residences Development Budget & Financing Structure Summary

Development Costs:

Hard Costs

Acquisition Costs	670,000 SF	\$15 per SF	\$10,000,000
Construction - WTC	670,000 SF	\$152 per SF	\$101,555,278
Construction - New Addition	60,000 SF	\$126 per SF	\$7,534,080
Contingency - Total	10%	\$15 per SF	\$10,801,686
Total Hard Costs		\$178 per SF	\$129,891,044

Soft Costs

Professional Fees		\$11,357,500
Financing Costs		\$11,885,500
Legal and Insurance		\$6,479,000
FF&E		\$10,726,749
OS&E		\$3,698,640
Tech and Communication		\$1,069,508
Development Fees		\$10,172,617
Pre-Opening Expenses		\$4,404,400
Total Soft Costs	\$89 per SF	\$59,793,914

Total Development Budget		\$283 per SF	\$189,684,958
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Federal Historic Tax Credits Calculations:

Eligible Costs			
Construction			\$112,356,964
Soft Costs			\$40,964,125
Developer Fee	20%		\$30,664,218
Total Eligible Costs			\$183,985,307
Total Federal Credits	20%		\$36,797,061
Total Equity Proceeds	105%		\$38,636,914

State Historic Tax Credit Calculations:

Eligible Costs			
Construction			\$112,356,964
Soft Costs			\$40,964,125
Developer Fee	20%		\$30,664,218
Total Eligible Costs			\$183,985,307
Total State Credits	25%		\$45,996,327
Total Equity Proceeds	80%		\$36,797,061

Total Equity Proceeds from Federal and State Tax Credits			\$75,433,976
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Financing Sources / Capital Stack:

Total HTC Equity Investment	40%	\$75,433,976
Additional Equity Investment	5%	\$10,000,000
Senior Debt	55%	\$104,250,982
Total Development Budget		\$189,684,958

World Trade Center - W Hotel and Luxury Residences Pro Forma Analysis

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential/Non-Hotel NOI (see Apartment Pro Forma)	\$4,432,386	\$4,565,358	\$4,776,896	\$4,994,780	\$5,219,200	\$5,450,353	\$5,688,441	\$5,933,671	\$6,186,258	\$6,446,423
W Hotel NOI (see W Pro Forma)	\$2,868,279	\$4,564,627	\$6,228,426	\$6,096,643	\$6,336,918	\$6,504,877	\$6,697,760	\$6,882,885	\$7,153,114	\$7,285,300
Total NOI from WTC	\$7,300,665	\$9,129,985	\$11,005,322	\$11,091,423	\$11,556,118	\$11,955,230	\$12,386,201	\$12,816,556	\$13,339,372	\$13,731,723
Less: Debt Service	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)	(\$6,953,530)
Cash Flow before HTC Preferred Return	\$347,136	\$2,176,455	\$4,051,792	\$4,137,893	\$4,602,588	\$5,001,700	\$5,432,671	\$5,863,026	\$6,385,842	\$6,778,193
Less: Preferred Return on Federal HTCs 3.0%	(\$1,103,912)	(\$1,103,912)	(\$1,103,912)	(\$1,103,912)	(\$1,103,912)	-	-	-	-	-
Cash Flow after HTC Preferred Return	(\$756,776)	\$1,072,543	\$2,947,880	\$3,033,981	\$3,498,676	\$5,001,700	\$5,432,671	\$5,863,026	\$6,385,842	\$6,778,193
Key Metrics:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Service Coverage Ratio	1.05	1.31	1.58	1.60	1.66	1.72	1.78	1.84	1.92	1.97

*Note: Interest Reserve will cover any Debt Service needs during ramp up in Year and 2, and Federal HTC can accrue and be deferred

World Trade Center - W Hotel and Luxury Residences Loan Calculations

Annual Percentage Rate	4.50%
Number of Periods	300
Amount Borrowed	\$104,250,982
Monthly Percentage Rate	0.38%
Periodic Payment	\$579,461

\$6,953,529.81 per year

Period	Interest	Principal Repayment	Principal Outstanding	Interest To Date	Principal To Date
			\$104,250,982		
1	\$390,941	\$188,520	\$104,062,463	\$390,941	\$188,520
2	\$390,234	\$189,227	\$103,873,236	\$781,175	\$377,746
3	\$389,525	\$189,936	\$103,683,300	\$1,170,700	\$567,682
4	\$388,812	\$190,648	\$103,492,651	\$1,559,512	\$758,331
5	\$388,097	\$191,363	\$103,301,288	\$1,947,610	\$949,694
6	\$387,380	\$192,081	\$103,109,207	\$2,334,990	\$1,141,775
7	\$386,660	\$192,801	\$102,916,406	\$2,721,649	\$1,334,576
8	\$385,937	\$193,524	\$102,722,881	\$3,107,586	\$1,528,101
9	\$385,211	\$194,250	\$102,528,631	\$3,492,797	\$1,722,351
10	\$384,482	\$194,978	\$102,333,653	\$3,877,279	\$1,917,329
11	\$383,751	\$195,710	\$102,137,943	\$4,261,030	\$2,113,039
12	\$383,017	\$196,444	\$101,941,500	\$4,644,047	\$2,309,482

D. DETAIL OF ALL DIRECT AND INDIRECT ECONOMIC BENEFITS TO NOBC AND THE CITY

In order to detail all of the direct and indirect economic benefits to NOBC and the City, we engaged Dr. Robert Newman, Chair of the Economics Department at LSU to conduct an economic impact report, which is included in this section for the Committee's review. Dr. Newman's report focuses on the Construction Impacts and Operations Impacts of our World Trade Center development and proposed Sky Wheel project. For each part of the project, the report measures new household earnings, new business sales, new jobs, and new indirect sales taxes for the City.

However, in addition to Dr. Newman's report, the City should also account for the large new direct sales taxes, new direct hotel occupancy taxes, and new direct real estate taxes that will also be generated by our \$190 million WTC redevelopment and potential \$30 million Sky Wheel project. Based on our pro forma projections and development budget above, these direct new taxes for the City will be a major new

benefit to the City, in addition to the other benefits detailed in Dr. Newman's report. For example, when all components are included, projected total annual revenues may exceed \$50 million per year, and total annual payroll may exceed \$10 million per year. In addition, the WTC property currently generates zero real estate tax, but our \$190 million project will generate substantial new real estate and personal property taxes for the City moving forward.

Finally, perhaps the largest new benefit to the City is related to our proposal's unique and powerful ability to directly help the City reach its Tourism Master Plan goal of nearly 14 million annual visitors by 2018, and the resulting dramatic cumulative economic benefits for the City through 2018, including \$11 billion in direct spending, 33,000 additional jobs, and \$700 million in tax revenue. The new W Hotel at the WTC will not just be another typical, generic hotel, but will be a major new tourism attraction and demand driver for the entire City, particularly among the younger, affluent, leisure demographic the City's Tourism Master Plan identified as the #1 priority for successfully reaching its overriding goals.

IMPACT ON ORLEANS PARISH OF THE PROPOSED WORLD TRADE CENTER REDEVELOPMENT AND THE SKY WHEEL

Robert J. Newman, Ph.D.

**Thomas J. Singletary Professor and Chair
Department of Economics
Louisiana State University
Baton Rouge, LA 70803
(225) 578-3794**

April 10, 2013

ECONOMIC IMPACT REPORT

Plans are to redevelop the existing thirty-three story 670,000 square-foot World Trade Center (WTC) structure located at Canal and Poydras into a new flagship hotel. In addition to the hotel, the redeveloped WTC will contain residential apartments and a 7,500 square-foot jazz lounge and dinner restaurant. Redevelopment cost for the WTC will amount to \$200 million and will generate annual revenues of \$48 million. Activities associated directly with the WTC will generate \$9.5 million in annual payroll. Additional plans call for the construction of a Sky Wheel (Ferris wheel) to be located on the edge of Spanish Plaza along the Mississippi River. Construction of the Sky Wheel will cost \$30 million and generate annual operating revenues of \$7.5 million, with an annual payroll of \$1.5 million.

The purpose of this report is to estimate the economic impacts of the construction and subsequent operations of the WTC and Sky Wheel on the Orleans Parish economy. The major impacts on Orleans Parish will include the effects on new household earnings, new business sales, new jobs and the expected increase in indirect sales tax revenues for the parish.

To estimate the total impacts of the WTC and Sky Wheel, we must estimate both the direct and indirect impacts (secondary) on the parish economy. The direct impact of the proposed plan can be measured by its revenue and payroll. However, these impacts would significantly understate the role of this plan within the parish economy. The reason is that the retail establishments at the site also buys from, and sells to, many other firms in the economy. The interactions caused by these purchases and expenditures are magnified by the spending of employees who earn income from the firm and the affected businesses. For example, when a decision is made by a firm that creates a new job, a chain-reaction is started which works its way

ECONOMIC IMPACT REPORT

throughout the economy. This chain-reaction (multiplier effect) causes even more jobs and income to be created.

The major difficulty lies in attempting to quantify these indirect impacts. Fortunately, a technique has been developed for precisely this purpose---an input-output (I/O) table. An I/O table is a matrix whose coefficients describe the interactions between all industries in a geographical area (in this case, Orleans Parish). The I/O table provides a complete picture of the flows of products and services in the economy for a given year, illustrating the relationship between producers and consumers and the interdependencies of industries in the parish. I/O tables for Orleans Parish have been constructed by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. The BEA is the government agency responsible for measuring the nation's gross domestic product each quarter. These I/O tables can be used to estimate impacts generated by the development and operation of the proposed WTC and Sky Wheel. First, the I/O tables are used to estimate their impacts on new business sales, household earnings for residents in the parish, and additionally, its impact on new jobs in the parish. Second, estimates of the secondary impacts on household earnings are then used to estimate the size of indirect sales tax revenues for the parish that can be attributable to the construction and operations of the WTC and Sky Wheel.

However, measuring the economic impact on the parish economy of a new development like the WTC presents a tricky problem. The key issue for estimating the net impacts on the local economy is to determine what extent this development brings new money into the parish. For example, if a new manufacturing plant is brought into the parish, both the construction and operation of the manufacturing facility represents new monies injected into the local economy; money that would otherwise not be there. This is often not the case with the hotel/retail aspects

of the WTC. While capital outlays for construction of the WTC redevelopment unambiguously represent new monies injected into the parish economy, hotel/retail establishments at the WTC will likely gain a fraction of their revenues by pirating sales from existing hotels and retail establishments within the area. This is commonly referred to as the “substitution effect.” That is, some of the revenues at the WTC will come at the expense of revenues at other establishments within the local economy. While there is no precise method for determining the size of the substitution effect, a reasonable estimate is that the substitution effect would represent no more than 10 percent of the sales at the proposed WTC. That is, about 90 percent of sales at proposed WTC will represent new sales to Orleans Parish. With this assumption, estimates generated from the I/O tables reveal the following impacts.

World Trade Center Redevelopment

Construction Impacts. During the development phase, construction spending at the WTC redevelopment will have the following effects on the Orleans Parish economy:

- New household earnings for residents of the parish will jump about \$101.3 million.
- During the construction phase approximately \$265.1 million in new business sales will be generated as a result of development spending on the WTC redevelopment.
- A total of approximately 2,667 temporary construction jobs will be created during the construction phase.
- Due to the additional household earnings and the associated consumption spending, indirect sales tax revenues for Orleans Parish will increase by about

ECONOMIC IMPACT REPORT

\$1.9 million during construction (estimates indicate that Orleans Parish tax collections increase by 1.9 percent for every additional dollar in household earnings created within the parish).

Operations Impacts. While the impacts associated with construction activity are one-time impacts (they do not extend beyond the construction phase), operational impacts will be recurring. That is, they will continue to accrue to the parish economy as long as the WTC facility is in operation. Once the WTC is open and fully operational, it will have the following effects on the Orleans Parish economy:

- Household earnings in the parish will rise by about \$20.8 million annually.
- Business sales for other firms within the parish will increase by about \$69.9 million annually as a result of the World Trade Center Redevelopment.
- A total of approximately 755 new permanent jobs will be supported by the WTC operations. This includes both direct employment at the WTC and the indirect employment generated by the multiplier effects.
- Beginning with the first full-year of the WTC operation, indirect sales tax collections for Orleans Parish will rise by approximately \$400,000 annually.
- Assuming that revenues at the WTC increase by a modest 3 percent per annum, during the first ten years of the WTC operations the parish will collect an additional \$4.5 million in indirect sales taxes.

Sky Wheel Development

Construction Impacts. During the development phase, construction spending will have the following effect on the Orleans Parish economy:

- New household earnings for residents of the parish will jump about \$6.6 million.
- New business sales within the Parish will expand by approximately \$43.4 million during the construction phase.
- A total of approximately 162 temporary construction jobs will be created during the construction phase.
- Due to the additional household earnings and the associated consumption spending, indirect sales tax revenues for Orleans Parish will increase by about \$13,000 during construction

Operations Impacts. As discussed above, while the impacts associated with construction activity are one-time impacts, operational impacts will be recurring. That is, they will continue to accrue to the parish economy as long as the WTC development is in operation. Once the WTC facility is open and fully operational, it will have the following effects on the Orleans Parish economy:

- Household earnings in the parish will rise by about \$3.4 million annually.
- Business sales for other firms within the parish will increase by about \$11.4 million annually as a result of the Sky Wheel operation.
- A total of approximately 90 new permanent jobs will be supported by the WTC operations. This includes both direct employment at the Sky Wheel and the indirect employment generated through the multiplier effects.

ECONOMIC IMPACT REPORT

- Beginning with the first full-year of the operations of the Sky Wheel, indirect sales tax collections for Orleans Parish will rise by approximately \$100,000 annually.
- Assuming that revenues from the Sky Wheel increase by a modest 3 percent per annum, during the first ten years of the mall's operation the parish will collect an additional \$1.1 million in indirect sales taxes.

E. DETAIL OF SPECIAL CONDITIONS THE DEVELOPER MAY PROPOSE TO OFFER OR TO ASK THE CITY AS PART OF THE PROPOSAL

As referenced above, the main special condition our team would like to propose to the City as part of this RFP response relates to NOBC and the City agreeing to dedicate and/or leverage the substantial, potential new proceeds generated from our \$190 million privately funded WTC redevelopment plan in order to help directly fund the potential new civic ideas outlined in our master site plan proposal.

We believe this idea may be a tremendous win-win solution that could allow the NOBC and City to produce maximum public benefits, including an unparalleled step towards reaching the overriding Tourism Master Plan goal of increasing annual visitors to nearly 14 million by the City's 300-year anniversary in 2018, with minimal to potentially zero use of limited, existing City funds. The potential new sources of upfront income and/or new recurring revenue streams to the NOBC/City that may be directly generated by our \$190 million WTC redevelopment project, and how we believe they could be used to directly benefit the community and civic improvements described herein, include:

- **\$10 million in cash that we are prepared to offer the NOBC/City in pre-paid rent for a 99 year lease on the WTC property**, pending due diligence and final inspections, as long as the NOBC/City agrees to dedicate this \$10 million payment to help fund the major master plan civic improvements described above.
- **New, substantial annual real estate tax payments to the City** from the completed WTC project, which are zero today due to tax-exempt status. We anticipate exploring a PILOT with the IDB for 15 years of new, negotiated annual real estate tax payments (instead of a Restoration Tax Abatement for 5 years), and we believe it may be beneficial for the City to consider issuing PILOT bonds, or using another City credit facility, to **generate sizable new up front proceeds to the NOBC/City, perhaps several million dollars or more, based upon this new, pledged income stream from the WTC redevelopment**, and the NOBC/City can also

dedicate these new proceeds to help fund the major master site plan civic improvements described above (public uses only, not the WTC project itself).

- **Substantial upfront payment that we would be willing to offer the NOBC/City in pre-paid rent for a separate 99-year lease on all of, or a substantial portion of, the 1,000-space, WTC parking garage property**, subject to the existing operating lease with the Hilton through 2019, and pending due diligence and final inspections. We understand the WTC garage is not included in this WTC RFP, but we have researched the lease terms of the City-owned WTC garage with Hilton through 2019 (original lease attached in Appendix), we believe the WTC property has legal priority for the use of WTC garage spaces needed for its operation under the original lease (and Hilton currently has more than enough other Hilton-owned parking garage/surface lot capacity for its needs), and we believe this win-win solution would generate by far the largest public benefit given the impacts of the \$190 million WTC redevelopment and transformational master site plan civic improvements proposed. In this scenario, the NOBC/City would receive a substantial upfront payment to pay back the Canal Street Development Corporation the remaining balance of the CSDC's original \$2 million loan to the NOBC to help buy out the original WTC organization lease of the WTC property in 2012, and the NOBC/City could dedicate the majority of these new proceeds to help fund the major master site civic improvements described above. The redeveloped WTC property will have a small amount of new parking spaces in the new low-rise structure on site, to be used primarily for more efficient valet staging/operation to successfully service large events/banquets at the W Hotel, but we believe the 1,000-space WTC garage is the most obvious, sensible, and mutually beneficial solution for the WTC redevelopment, and for the City and master site plan civic improvements as well. The WTC will likely need to use roughly half or slightly more of the 1,000-car WTC garage spaces for its typical mixed-use operating needs (280 WTC residential units, 245-room W Hotel, and W restaurant/bar/entertainment/spa venues), except during special W Hotel event/banquet periods when more short-term parking may

be required. The remainder of the WTC garage spaces could be used by a combination of the Hilton and/or public parking needs in the area as originally intended in the WTC garage lease. Alternative parking options for our proposed \$190 million WTC redevelopment other than simply utilizing the efficient, existing and available WTC garage that was designed and built for the WTC property's designated use, would likely be unattractive, negative, and self-defeating from both private and public perspectives (ie. building a much taller self-sufficient garage on the WTC site which is possible but clearly not the best solution for private and public objectives in our opinion). As a result, we encourage the NOBC/City to seriously consider this practical and mutually beneficial solution, including the major new upfront proceeds it could contribute towards funding the important master site plan civic improvements described herein.

- **Other substantial new sales taxes, new hotel occupancy taxes, and/or other new tax revenue generated by our \$190 million WTC redevelopment project and long-term operation.**

In addition to the three major potential sources of significant upfront proceeds to help fund the master site plan civic improvements listed above, there are also a number of other creative mechanisms the City may want to consider to generate additional upfront funds or an ongoing source or dedicated revenue as part of the overall vision and long-term success and maintenance of the master site plan civic improvements. Again, these new City proceeds would not be used to subsidize our WTC redevelopment, but rather to fund the major civic improvements proposed in this RFP response. Given the overwhelming public benefits and tourism impacts, we believe this possibility could be an attractive solution for all parties.

In addition to the major new sources of upfront income and recurring revenue to the City generated by our \$190 million WTC redevelopment project, and our substantial separate proposal for a 99-year lease of the WTC garage, **our team is also prepared to offer 100% private funding of our proposed Tri-Centennial Sky Wheel on the edge of the River at Spanish Plaza**, pending due diligence and necessary assistance from the City and other key stakeholders to gain final approvals for

successful and timely construction along with the other key civic elements of our master site plan proposed herein. We currently estimate the total development cost of the Sky Wheel to be approximately \$20 million including foundation if we select the 175 foot Sky Wheel (same version that was built in Seattle on a pier over the water), or roughly \$30 million including foundation if we build a new version that is 250 feet in diameter (see spec sheets attached in Appendix). Based on our due diligence to date, we are comfortable with providing potential private funding of this major new destination attraction for the City of New Orleans to the extent we receive free rent for a new long-term lease on Spanish Plaza (or a new construction addition over the River immediately adjacent to the edge of the existing Wharf if preferred) and the other important master site plan civic improvements described in Section 1B are successfully executed and funded as proposed above. In addition to the transformational public and tourism benefits created by the Tri-Centennial Sky Wheel, the new direct annual sales taxes it will generate to the City will be a meaningful new source of recurring income, which we believe may be an ideal source of funds to be dedicated for long-term maintenance and improvements of the surrounding civic spaces so the currently outdated and neglected situation does not repeat itself again in the future.

Finally, in an attempt to be as thorough as possible, we have received a high-level cost estimate from White Construction on the potential total construction cost of implementing the major new civic improvements described in our master site plan proposal, in addition to the new Tri-Centennial Sky Wheel which we are willing to fund privately subject to due diligence and conditions above. These civic improvements are described in Section 1B and visually represented in Section 1D, and include tearing down the enclosed ferry walkways, converting the car traffic lanes into a major new pedestrian connection between Canal Street and the Riverfront, connecting the main pedestrian boardwalk along the River between the Aquarium and Spanish Plaza, unifying the various civic spaces with new pavers, landscaping, lighting, and other improvements, etc.

Per the estimate below, White Construction currently projects these ideas to cost approximately \$12.4 million. However, in addition to these primary costs, additional funds would be required for potential adaptive re-use redevelopment of the existing Ferry building for retail and other complementary uses, and the addition of a potential new iconic transit hub or place-making public statue at the foot of Canal Street, which could increase total budget for these “big idea” civic improvements to \$20+ million total.

In summary, if the NOBC and City select our team as RFP winner, and agree to pursue our WTC redevelopment plan and master site plan civic ideas using the potential funding strategies above, the total resulting investments for the City would include:

- \$190 million WTC redevelopment, including \$75 million in net equity proceeds from Federal and State Historic Tax Credits and no City subsidy
- \$10 million in pre-paid rent proceeds for 99 year lease of the WTC property (included in \$190 million total project cost)
- Substantial additional upfront pre-paid rent proceeds from our team for potential 99 year lease of the WTC garage property
- \$20-30 million in additional private investment from our team for construction of the new Tri-Centennial Sky Wheel on the edge of the River at Spanish Plaza
- On top of the above major new upfront proceeds to the City above that can potentially be used to fund the master site plan civic improvements proposed, tens of millions of additional upfront proceeds or recurring income is also available to the City directly from our project and investments by leveraging and/or dedicating the new WTC real estate taxes (ie. PILOT bonds), the new sales taxes from the WTC and the Skywheel, the new Hotel Occupancy Taxes from the new W Hotel, etc. to fund the important, transformational master site plan civic improvements at the Riverfront if more sources of funding are needed, or other important City budget priorities.

WHITE CONSTRUCTION ESTIMATE FOR MASTER PLAN SITE IMPROVEMENTS

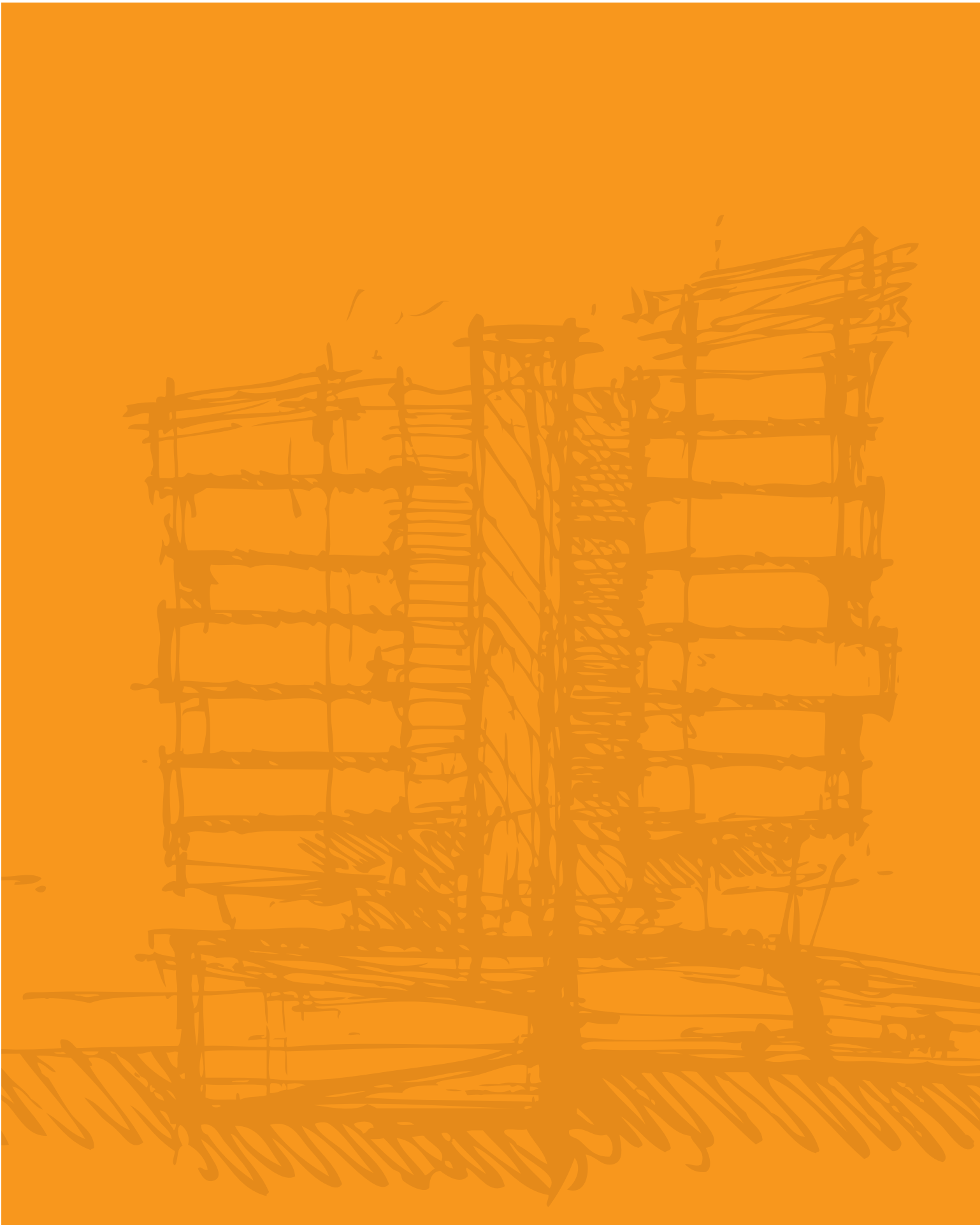


WHITE CONSTRUCTION COMPANY

GENERAL CONTRACTING • CONSTRUCTION MANAGEMENT • DESIGN/BUILD

Budget Construction Cost for WTC Master Site Plan

Demolition of Paving & Walks @ Existing Ferry Access	\$75,148
Demolition of Building Structures & Foundations	\$82,398
Demolition of Elevated, Grated Roadway	\$49,277
Demolition of Existing Ferry Dock	\$119,906
New Pavers & Concrete Bands at Pedestrian Access to Ferry	\$1,964,701
Construction of New Warf Connector for Pedestrian Access to Ferry	\$3,786,442
Construction of New Ferry Dock	\$1,621,718
Site Lighting at New Pedestrian Ferry Access Dock	\$81,083
Demolition of Decorative Pavers at Spanish Plaza	\$56,423
Demolition of Concrete Pavers at Dock	\$80,456
Demolition of Concrete Planter Walls at Spanish Plaza	\$21,490
Power Wash Plaza & Dock Area After Paver Demolition	\$91,252
New Pavers & Concrete Bands at Skywheel Dock Area	\$2,681,855
New Pavers at Spanish Plaza	\$1,504,602
Landscape Allowance	\$110,000
Site Lighting at Spanish Plaza and Skywheel Dock Area	\$108,111
Master Site Plan Total	\$12,434,862



5





OTHER REQUIREMENTS

Deposit: Please find cashier's check enclosed with our team's RFP package.

Tax Clearance Certificate

Conflict of Interest Disclosure Affidavit

Identification of Subcontractors

Required Proof of DBE Compliance

TAX CLEARANCE CERTIFICATE

**CITY OF NEW ORLEANS
TAX CLEARANCE AUTHORIZATION**

According to Section 2-8 of the Code of the City of New Orleans, Louisiana 1995, the City may not enter into or make payments under a contract, grant or cooperative endeavor agreement with any person, corporation, or entity delinquent in City taxes. This form supplies the needed tax clearance. This clearance is issued without prejudice to any tax liabilities discovered by audit.

Please refer to the instructions on the back of this form

BUSINESS NAME: Gatehouse Partners, LLC

OWNER'S NAME: MAURICE COLLINS

TYPE OF BUSINESS: Hotel Development

BUSINESS ADDRESS: 1501 Dragon St. #101
Dallas, TX 75207

MAILING ADDRESS: 1501 Dragon St. #101
Dallas, TX 75207

CONTACT TELEPHONE: 214-922-4310

FAX NUMBER: 214-922-4301

E-MAIL ADDRESS: collinsm@gatehousecapital.com

REAL ESTATE TAX NUMBER:

PERSONAL PROPERTY TAX NUMBER:

SALES TAX/OCCUPATIONAL LICENSE NUMBER:

PRINT NAME: Maurice Collins TITLE: CEO

AUTHORIZED SIGNATURE: [Signature] DATE SIGNED: 04/01/2013

I certify that I have the authority to execute this form with respect to the tax matters covered and that the above is true and correct. The City of New Orleans is authorized to inspect and/or receive confidential tax information.

BUREAU OF REVENUE (Room 1W15)

This clearance covers Occupational License and Sales/Use taxes.

BUREAU OF TREASURY (Room 1W37)

This clearance covers Ad Valorem taxes for Real Estate and Business Property taxes.

I hereby assert that after review of the taxpayer's records of this date that the taxpayer **IS NOT** delinquent in any taxes owed to the city. This clearance covers the period today through March 1, 20 _____. The above clearance may be revoked for failure to pay sales tax.

I hereby assert that after review of the taxpayer's records of this date that the taxpayer **IS NOT** delinquent in any taxes owed to the city. This clearance covers the period today through March 1, 20 _____.

COLLECTOR OF REVENUE

DATE

TREASURY CHIEF

DATE

I attest that the taxpayer named above is **not** delinquent in any taxes owed to the city.

DIRECTOR OF FINANCE

DATE

RFP No. 4051-01414

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CONFLICT OF INTEREST DISCLOSURE AFFIDAVIT

CONFLICT OF INTEREST DISCLOSURE AFFIDAVIT

STATE OF LOUISIANA

PARISH OF Orleans

Before me, the undersigned authority, came and appeared Maurice Collins, who, being first duly sworn, deposed and said that:

1. ~~He~~ She is the CEO and authorized representative of Gatehouse Partners, LLC, hereafter called "Respondent."

2. The Respondent submits the attached proposal in response to City of New Orleans Proposal # 4051-01414.

3. The Respondent hereby confirms that a conflict(s) of interest exists/does not exist/may exist in connection with this solicitation which might impair Respondent's ability to perform if awarded the contract, including any familial or business relationships that the Respondent, the proposed subcontractors, and their principals have with city officials or employees. *(If a conflict(s) of interest exists and/or may exist, describe in a letter the nature of the conflict, the parties involved and why there is a conflict. Attach said letter to this form).*

[Signature]
Respondent Representative (Signature)

MAURICE COLLINS
(Print or type name)

1501 Dragon ST #101, Dallas, TX 75207
(Address)

Sworn to and subscribed before me, Karen McGahey Notary Public, this 1st day of April

2013

Karen McGahey

Notary Public (signature)

Notary ID#/Bar Roll #



OTHER REQUIREMENTS

IDENTIFICATION OF SUBCONTRACTORS

CITY OF NEW ORLEANS
IDENTIFICATION OF SUBCONTRACTORS

STATE OF LOUISIANA

PARISH OF Orleans

Before me, the undersigned authority, came and appeared Maurice Collins, who, being first duly sworn, deposed and said that:

4. He is the CEO and authorized representative of Gatehouse Partners, LLC, hereafter called "Respondent."

5. The Respondent submits the attached proposal in response to City of New Orleans Proposal # 4051-01414.

6. The Respondent hereby identifies the following persons, natural or artificial, who are retained by Respondent at the time the attached proposal is submitted and who are expected to perform work as subcontractors in connection with the Respondent's work for the City. Respondent hereby acknowledges and agrees that when new subcontractors not previously named are added to the project, they must be promptly identified to the City User Department within 48 hours of the change. The official change may not take place unless and until the City provides its written approval. As of the date of this proposal submission, the Respondent has not retained any subcontractors.

Person(s) and Company Name (if applicable)

n/a

[Signature]

Respondent Representative (Signature)

Maurice Collins

(Print or type name)

1501 Dragon St. #101, Dallas, TX 75207
(Address)

Sworn to and subscribed before me, Karen McGahen Notary Public, this 1 day of April

2013 .

Karen McGahen

Notary Public (signature)

Notary ID#/Bar Roll #



RFP No. 4051-01414

Page 14

REQUIRED PROOF OF DBE COMPLIANCE



OFFICE OF SUPPLIER DIVERSITY EQUAL BUSINESS OPPORTUNITY PROGRAMS

DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION PLAN

PURPOSE

Respondents to City of New Orleans RFPs and RFQs must agree that certified Disadvantaged Business Enterprises (DBEs) will have the maximum practicable opportunity to participate on City contracts. To that end, respondents are required to provide a comprehensive DBE Participation Plan documenting the roles of the DBE firms in the respondent's proposal.

REQUIRED PROOF OF DBE COMPLIANCE

OFFICE OF SUPPLIER DIVERSITY
EQUAL BUSINESS OPPORTUNITY PROGRAMS

LOCALLY-OWNED AND DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION PLAN

Overview

The City awards millions of dollars annually to vendors and contractors ('respondents'). Those respondents, in responding to a City of New Orleans RFP or RFQ, must agree in the contract that certified Disadvantaged Business Enterprises (DBEs) have the maximum practicable opportunity to participate in the contract consistent with its efficient performance.

To ensure DBE businesses have the maximum practicable opportunity to participate in City contracts and to ensure compliance with City of New Orleans Ordinance 70.432.1, which establishes an overall goal of 35% for utilization of socially and economically disadvantaged businesses for all public spending or private projects that utilize public funding and/or incentives, the Office of Supplier Diversity (OSD) requires all RFP and RFQ respondents on contracts over \$15,000 to submit a **DBE Participation Plan**.

All respondents must submit, before an award is made, an acceptable *DBE Participation Plan* setting percentage and dollar goals for the award of subcontracts to certified DBE businesses. The OSD reviews all participation plans submitted by respondents to ensure respondents provide the maximum practicable opportunity for DBE firms to participate in a contract and to review a respondent's evidence of good faith efforts to comply with the requirements of Ordinance 70.432.1.

The OSD also reviews *DBE Participation Plans* to recommend qualified DBE firms to assist respondents in their DBE contracting goal attainment. DBE contracting goal attainment is monitored by the OSD on reports submitted to the Mayor monthly.

Instructions for Completing the DBE Participation Plan

A *DBE Participation Plan* is required by all RFP and RFQ respondents. Changes to this document are not accepted. Any changes to this *DBE Participation Plan* will deem this document as non-responsive and sufficient grounds for rejection.

1. All respondents must complete Sections I, II, III & IV.
2. If the participation plan under Section II does not meet the DBE participation goal established specifically in the RFP or RFQ, you must also complete Section V and provide the required documentation of *Good Faith Efforts*.


REQUIRED PROOF OF DBE COMPLIANCE

Section I. Respondent

Company	Gatehouse Partners LLC
Contact	Maurice Collins
Address	1501 Dragon St., #101 Dallas, TX 75207
Telephone/Fax	T:214.922.4310 F:214.922.4301
E-Mail	collinsm@gatehousecapital.com

RFP/RFQ- Solicitation Number	4051-01414
Title of the Project and Location	Redevelopment of World Trade Center

DBE PARTICIPATION PLAN SUBMITTED BY:

Signature:  Date: 04/12/2013
Printed Name: Maurice Collins
Title: CEO

The following employee will be the **Administrator** of this DBE Participation Plan:

Name: Chad Pippin Title: VP, White Construction Co.
Address: 613 Crescent Circle, Suite 100
Ridgeland, Mississippi 39157
Telephone: 601.898.5180 E-Mail: chadp@whiteconst.com

REQUIRED PROOF OF DBE COMPLIANCE

Section II. DBE Participation Plan

The following, together with any attachments, is submitted as a **DBE Participation Plan** to satisfy the requirements of City of New Orleans Ordinance 70.432.1.

The following goals are established for the term of the proposed contract. Percentages may be rounded to nearest tenth of a percent.

1. a. Total Contract Value \$120,000,000 (estimated) (including options) (Estimate if necessary)

b. Total Subcontracted \$84 Million 70% of 1.a.
(estimated)
(Inclusive of all planned subcontracting to all businesses, regardless of size)

2. The following dollars and percentage goals are applicable to the contract cited above.

a. Certified SLDBE \$29.4 Million 35% of 1.b.

Total planned subcontracting dollars under this contract will go to subcontractors who are certified as a State & Local Disadvantaged Business Enterprise (SLDBE) through the City of New Orleans, Sewerage & Water Board of New Orleans, Harrah's Jazz Casino or the New Orleans Aviation Board. You can find the most recent list of certified SLDBE firms at www.nola.gov/Businesses/Office-of-Supplier-Diversity. You may also contact the Office of Supplier Diversity via e-mail at SupplierDiversity@nola.gov to request a copy of the list.

b. Certified LAUCP DBE \$ TBD _____ % of 1.b.

Total planned subcontracting dollars under this contract will go to subcontractors who are certified as a DBE through the Louisiana Department of Transportation's Unified Certification Program. You can search for certified LAUCP DBE firms at www.dotd.la.gov/lettings/subsdebed/dbhq20110126.asp.

c. Local \$42 Million 50% of 1.b.

Total planned subcontracting dollars under this contract will go to subcontractors who are local business concerns. A local business concern is an Orleans Parish business.

The respondent is committed to a minimum of 35% DBE utilization on this contract and will submit documentation demonstrating best efforts. The respondent intends to fulfill the DBE participation goals by utilizing the DBE Implementation Plan attached to Section 1F of this RFP, which details the respondent's methodology for compliance with the DBE participation goals.

REQUIRED PROOF OF DBE COMPLIANCE

Section III. Subcontractor's Scope of Work

Provide the name of the firm, the type of firm (2a. through 2d. in Section II) and the services, products and/or scope of work commitments by the firm(s).

Name of Firm: [See additional page] Proposed DBE Participation (%): _____
Firm Contact: _____
Address: _____ City/State/Zip: _____
Telephone: _____ E-Mail: _____
SUBCONTRACTOR TYPE: ☐ 2A; ☐ 2B; ☐ 2C;

SCOPE OF WORK: Describe below or attach the work to be performed by the DBE firm

Name of Firm: [See additional page] Proposed DBE Participation (%): _____
Firm Contact: _____
Address: _____ City/State/Zip: _____
Telephone: _____ E-Mail: _____
SUBCONTRACTOR TYPE: ☐ 2A; ☐ 2B; ☐ 2C;

SCOPE OF WORK: Describe below or attach the work to be performed by the DBE firm

Name of Firm: [See additional page] Proposed DBE Participation (%): _____
Firm Contact: _____
Address: _____ City/State/Zip: _____
Telephone: _____ E-Mail: _____
SUBCONTRACTOR TYPE: ☐ 2A; ☐ 2B; ☐ 2C;

SCOPE OF WORK: Describe below or attach the work to be performed by the DBE firm

Name of Firm: [See additional page] Proposed DBE Participation (%): _____
Firm Contact: _____
Address: _____ City/State/Zip: _____
Telephone: _____ E-Mail: _____
SUBCONTRACTOR TYPE: ☐ 2A; ☐ 2B; ☐ 2C;

SCOPE OF WORK: Describe below or attach the work to be performed by the DBE firm

ATTACH ADDITIONAL PAGES IF ADDITIONAL SPACE IS REQUIRED

OTHER REQUIREMENTS

REQUIRED PROOF OF DBE COMPLIANCE

FRP/RFQ Solicitation Number - 4051-01414
Title of the Projected Location - Redevelopment of the World Trade
Center

Section III. Subcontractor's Scope of Work

Please note that if our team is selected as the successful respondent to the RFP, we will provide the information required by this Section III as soon as the contracts for the development of the project are complete. Given that the development of the WTC project is at the RFP stage and that no contracts are being entered into at this stage of the development, the identity and type of subcontractor cannot be determined at this time. Nevertheless, the respondent is committed to full compliance with the goals of the DBE Participation Plan as described more fully in Section II.

REQUIRED PROOF OF DBE COMPLIANCE

Part IV. DBE Participation Plan Method

a. The following method was used to develop the DBE Participation Plan. Please explain:

1. How the products and services to be subcontracted were established;
2. How the areas to be subcontracted were determined; and
3. How their capabilities were determined.

Please note that if our team is selected as the successful respondent to the RFP, we will provide the information required by this Section IV as soon as the contracts for the development of the project are complete. Given that the development of the WTC project is at the RFP stage and that no contracts are being entered into at this stage of the development, the methodology to develop the DBE Participation Plan cannot be determined at this time. Nevertheless, the respondent is committed to full compliance with the goals of the DBE Participation Plan as described more fully in Section II.

b. If indirect or overhead costs have been included in the subcontracting goals specified in Sections II, explain the method used in determining the proportionate share of indirect and overhead costs to be allocated to subcontractors:

See reply to Item 3a above.

REQUIRED PROOF OF DBE COMPLIANCE

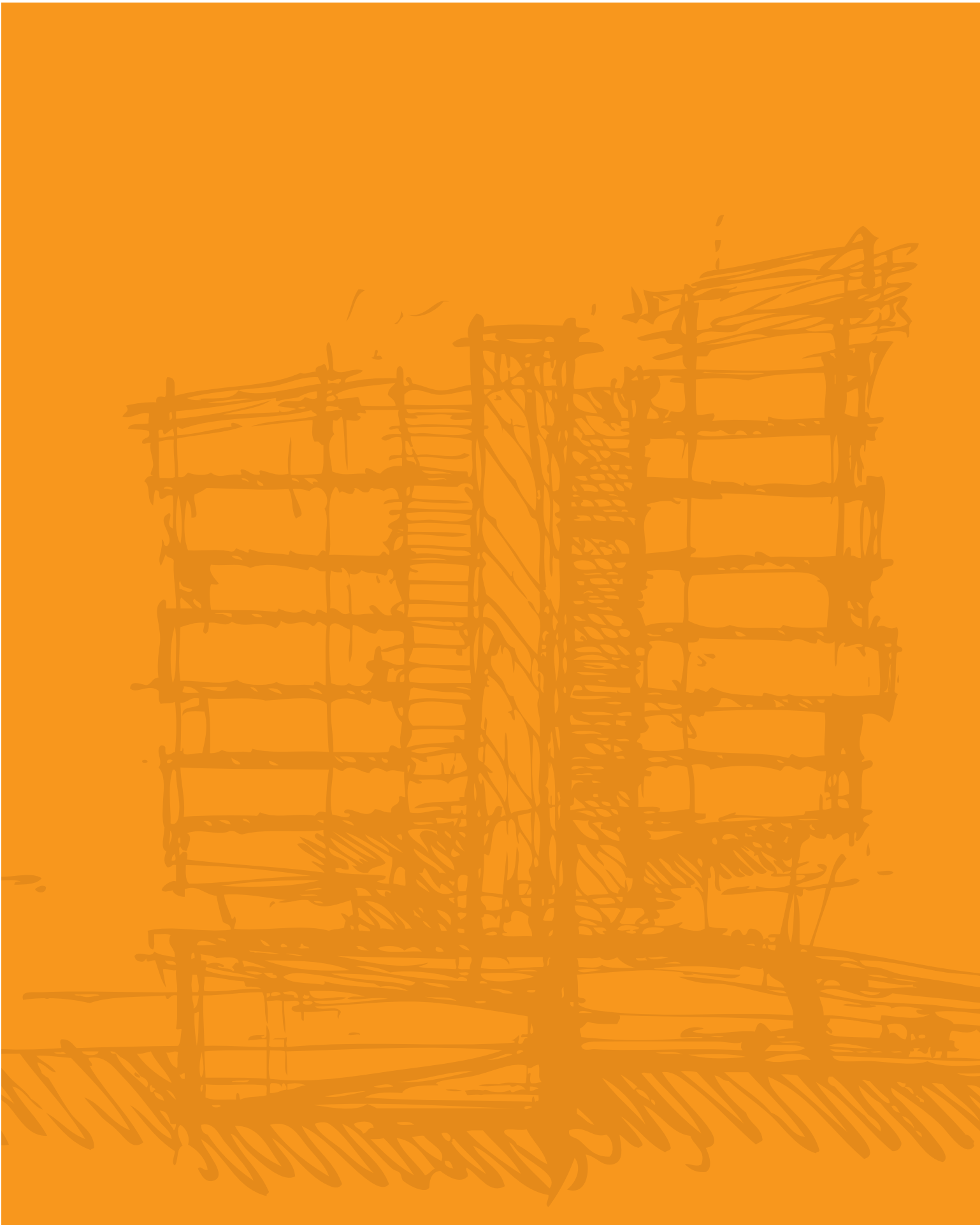
Section V. Evidence of Good Faith Efforts

The Office of Supplier Diversity shall be responsible for determining whether the respondent has demonstrated *Good Faith Efforts* to achieve the DBE goal for a RFP or RFQ. If the DBE Participation Plan under Section II does not meet the DBE participation goal established in the RFP or RFQ, you must complete this section and provide documented evidence of the following.

EVIDENCE OF GOOD FAITH EFFORTS
PRE-BID MEETING(S): The respondent attended all pre-bid meetings scheduled by the City to inform DBEs of contracting and subcontracting opportunities.
SLDBE/DBE LIST(S): The respondent utilized the City of New Orleans' list of certified SLDBE firms and/or the Louisiana Department of Transportation's list of certified LAUCP DBE firms to identify potential DBE firms.
SMALL CONTRACT(S): The respondent selected specific portions of the work to be performed by DBE firms in order to maximum practicable opportunity for those firms to participate in the contract consistent with its efficient performance.
FOLLOW-UP: The respondent followed-up initial indications of interest by DBE firms by contacting those firms to determine with certainty if they remained interested in submitting a price and participating on the contract.
ADVERTISEMENT (includes internet): The respondent advertised in local general circulation and/or trade association publications concerning subcontracting opportunities, and allowed DBE firms reasonable time (at least 7 days) to respond.
GOOD FAITH NEGOTIATIONS: The respondent negotiated in good faith with interested DBE firms and did not reject those firms as unqualified without sound business reasons based on a thorough investigation of their capabilities.
INFORMATION: The respondent provided interested DBE firms with adequate information about the plans, specifications and requirements of the subcontract.
WRITTEN NOTICE(S): The respondent took the necessary steps to provide written notice in a manner reasonably calculated to inform DBE firms of subcontracting opportunities and allowed sufficient time for them to participate effectively.
COMMUNITY RESOURCES: The respondent used the services of available community organizations and trade associations that provided assistance in the recruitment and placement of DBE firms.
CONTRACT RECORDS: The respondent has maintained the following records for each DBE that has submitted pricing on the subcontracting opportunity: <ol style="list-style-type: none"> 1. Name, address, and telephone number; 2. A description of information provided by the bidder/offerer or subcontractor; and 3. Statement of whether an agreement was reached, and if not, why not, including any reasons for concluding that the DBE was unqualified to perform the job.

Attach documentation supporting each item above at the end of this plan.

Please see the detailed DBE Implementation Plan attached to Section 1F of the RFP Response.



6





APPENDIX

1. Besh Restaurant Group Letter of Interest
2. WTC National Register first draft excerpt - Confidential
3. History of WTC building report
4. Original WTC garage lease - Confidential
5. Sky Wheel spec sheets
6. Tourism Master Plan Report

1. BESH RESTAURANT GROUP LETTER OF INTEREST



April 14, 2013

New Orleans Building Corporation
Bureau of Purchasing, Chief Procurement Officer
1300 Perdido Street, Suite 4W07
New Orleans, LA 70112

RE: RFP 4051-01414; Redevelopment of World Trade Center Site

Dear World Trade Center RFP Selection Committee:

We have reviewed the exciting, transformational plans for the new, proposed W Hotel and Residential adaptive re-use project at the World Trade Center and surrounding civic spaces led by Gatehouse Capital and Starwood Hotels and Resorts Worldwide. If this impressive redevelopment plan and world-class team is selected by the City as the WTC RFP winner, The Besh Restaurant Group would be very interested in potentially leading the new restaurant developments at this high-profile project, including the large, new 3-meal ground floor restaurant for the W Hotel (for dine-in, banquets, events, and room service), the new 15,000 square foot W Hotel pool/5th floor rooftop entertainment venue overlooking the River, and/or the new 7,500 square foot 33rd floor signature jazz lounge/dinner restaurant with the best views in the City.

We believe the proposed new, best-in-class 245-room W Hotel, along with the 280 new luxury residential units, and premier new restaurant, bar and entertainment venues, would dramatically energize and activate this section of downtown. More than any other existing hotel in the City, we believe the new, prominent W Hotel mixed-use project at the WTC could be a powerful and one-of-a-kind new demand driver and destination attraction by itself, particularly for the in-demand younger upscale leisure demographic that is highly underrepresented in New Orleans compared with other leading tourism markets nationally, and would be a major positive step in helping the City successfully reach its goal of increasing annual visitors from 9 million today to 14 million by the City's tri-centennial in 2018.

In short, we would be very excited to explore potential opportunities and specific next steps related to the separately branded new food and beverage venues described above if the W Hotel mixed-use redevelopment plan is selected as the WTC RFP winner by the City.

Sincerely,

Apr 14, 2013
Mr. Octavio Mantilla

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

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7. Description

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Architectural Classification (Enter categories from instructions)

MODERN MOVEMENT: International Style

Materials (Enter categories from instructions)

foundation **CONCRETE**
roof **ASPHALT**
walls **CONCRETE**
GLASS
other **ALUMINUM**
STONE

Narrative Description (Describe the historic and current condition of the property on one or more continuation sheets.)

World Trade Center
Orleans Parish, LA

Significant Person (Complete if Criterion B is marked above)

Cultural Affiliation **N/A**

Architect/Builder **Edward Durell Stone** (architect)
Robert Lee Hall (architect)
Ellers and Reaves (structural engineers)
Leo S. Weil and Walter Moses (consulting engineers)
Roy B. Martin (mechanical engineer)

Narrative Statement of Significance (Explain the significance of

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

the property on one or more continuation sheets.)

NPS Form 10-900-a
1024-0018
(8-86)
1-31-2009)

OMB No.

(Expires

United States Department of the Interior
National Park Service

NATIONAL REGISTER OF HISTORIC PLACES
CONTINUATION SHEET

Section 7 Page 1
Trade Center

World

Orleans

Parish, LA

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Description

The World Trade Center (WTC) is a thirty-three-story tall commercial building situated in a prominent location where Canal Street meets the Mississippi River. The building, formerly known as the International Trade Mart, was conceived and designed to promote international trade through the port of New Orleans. It provided a headquarters for commercial and trade organizations, foreign consulates, maritime law firms, shipping companies, and diplomatic and trade related meetings and functions. The World Trade Center's purpose is highlighted by its prestigious site in the heart of New Orleans and at the center of the city's port, and in its accessibility to the city's business and cultural district. Constructed between 1964 and 1967, the building's modern design and materials identify it as an International Style structure. It has a reinforced concrete frame and is supported on pre-stressed concrete pilings. Designed by the internationally-renowned architect Edward Durell Stone, with Robert Lee Hall and Associates, the building represents Stone's innovative approach to design and structure. In order to highlight New Orleans as one of the nation's foremost ports for international commerce and the crossroads of trade between the nation's interior and the rest of the world, Stone gave the building a cruciform shape with four wings pointing to the

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

corners of the world. The building's setting and shape illustrate both literally and symbolically its function and the city's role as a center for global trade. The New Orleans World Trade Center predates and served as a model for the other World Trade Centers in the United States.

The WTC is located a few hundred feet inland from the Mississippi River. It overlooks the Mississippi River and its wharves and is adjacent to the rail lines that link the river's wharves. The building neighbors the Central Business District, which is the city's commercial heart, and is a mere block from the Custom House. On the WTC's river side is marble paved plaza; the marble for which was a gift from Spain to call attention to New Orleans' links with that country. When built, the Place de France included a statue (now relocated) of Joan of Arc, which was a gift from France. The setting enhanced the WTC's international credentials. Located adjacent to the river and as the tallest building with little about it to compete, the WTC enjoys unusual visibility and prestige. The WTC is a singular piece of the city.

The WTC was one of the first buildings in the city to be supported on Brunspiles, octagonal pre-stressed concrete pilings. Here, they were driven up to 200 feet into the ground to find sufficiently stable clay strata. The building has a reinforced concrete structural frame and floors. The cruciform building's elevation is composed in the tripartite design of a base, middle,

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Trade Center

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Description (continued)

and concluding elements in the tradition of American high-rise buildings established by Louis Sullivan in the late nineteenth century, but interpreted in a thoroughly modern fashion.

The "base" consists of a two-story lower level and lobby, which is enclosed by glass walls. At the beginning of the third floor

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

is a projecting aluminum solar shade supported on painted steel columns. The projection makes clear the distinction between the two-story "base" and the building's "middle" or upper floors. The overhang shadows the base so that the upper body of the building in its lighter colors appears to float free, thus expressing the building's reliance on structural innovation. From this base rise twenty-eight stories sheathed in a curtain wall composed of 2,052 panels of pre-cast exposed aggregate concrete panels and glass windows. Both the panels and the windows are arranged in alternating vertical bands running up the building and emphasizing its height. The concrete panels have vertical fins on their edges that project slightly from the surface to carry horizontal aluminum louvers to shade the windows. All twelve sides of the building's four wings are identical. Aesthetically, while the building relies on its frame for its structure, it does not fully display that structure. Display of the structural frame is evident on the lower two floors exterior and on the interior lobby where the piers are exposed to lift the bulk of the building off the ground.

The tiers of office spaces finish with a flat roof at the thirty-first floor. Here the wings of the cruciform conclude with an overhang that echoes that at the third story. In the center of this roof is three-story cylindrical structure. The first two stories contain mechanical equipment and the cooling tower and the third level accommodates a cocktail lounge with an outside platform that revolve 360 degrees every 55 minutes to provide dramatic views of the city, the Mississippi River, and the busy port. This cylindrical cap decisively concludes the building. Because it functions as a public space, it adds a civic gesture to the building. The architects created a distinctive high-rise building that is specific to its site and its role at the intersection of the city, the Mississippi River, and beyond that to the world. Not one of the World Trade Centers that followed this WTC, for example, New York's WTC (1970) or Baltimore's WTC (1977) were as site specific or as singular in their design.

On the interior, the reinforced concrete frame allows for free and flexible space, a feature that suited its various occupants. The lobby, which is in very good condition, has terrazzo floors and walls of white Italian marble in panels that are separated by vinyl strips. Circulation systems are in a central core

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

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Description (continued)

of ten high-speed elevators (nine for the public and one service elevator), stairs, and an escalator to the third floor. Elevator doors are of bronze and the escalator has aluminum rails. The floors on each of the office stories are eleven feet in height and have suspended acoustical ceilings and recessed lighting. The building's cruciform shape with its greater amount of surface area, allowed more natural light to the interior and afforded views in all directions, notably to the river and the port. The thirtieth floor housed the Plimsoll club (named for Samuel Plimsoll), which, with spaces for receptions and dining, was the WTC's official hospitality arm.

Edward Durell Stone (1902-1975) was an internationally recognized architect when he was hired to design the International Trade Mart as it was then known. That he was one of the nation's premier architects speaks to the symbolic, as well as the practical, importance of this project. Born in Arkansas, Stone established his practice in New York. By 1937 when he received the Gold Medal of the Architectural League for a residence he designed for Henry Luce in South Carolina, Stone was known for his innovative use of modern materials and designs. He designed many significant government and business structures in the post World War II period, including the U.S. Embassy in New Delhi, the U.S. Pavilion at the World's Fair in Brussels, the Kennedy Center in Washington D.C., and buildings for Pepsico, General Motors, and other corporations. When he was hired in 1958 by ITM he was asked to design a "temple to world trade." The first design he provided was a simple nineteen-story high rectangular box, but with extraordinary growth of the port and its activities, it was almost immediately realized that the building would be too small. He was asked to provide a bigger building and he created the unusual and symbolically-shaped building that exists today. It is the most original of all the buildings designed for World Trade Centers in the United States and is the most unusual high-rise structure in Louisiana.

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

Assessment of Integrity

The building is in good and stable condition. The exterior construction materials of pre-cast concrete have held up well. The lobby retains most of its original finishes, including the marble walls, and in its materials and style epitomizes the historic architectural character of its era. Spaces in the office floors were divided by partition walls of gypsum in order to facilitate mobility and flexibility of interior space division. The cocktail lounge's interior has, inevitably, been altered several times over the years to keep in step with the latest fashions; but it still revolves.

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Parish, LA port		
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Statement of Significance

New Orleans was built on international trade and international trade built New Orleans. The importance of the WTC to the port of New Orleans cannot be over-estimated. Situated where the system of rivers which drains the Mississippi Valley reaches deep water, New Orleans' strategic location made it the gateway between the nation's interior and the world. Commerce between the Caribbean, Africa, and Europe was established within a decade after the city was founded in 1718. By the mid-nineteenth century, New Orleans was the second most important port in the nation. In 2007, it was the nation's fifth largest port based on volume of cargo and it handles more trade with Latin America than any other gateway in the United States. The World Trade Center stands for New Orleans's origins and future in global trade.

Historical Background and Significance

The World Trade Center grew out of a committee formed by merchants and traders in 1895 to advance their shipping interests through the port of New Orleans. In the following decades new wharves were

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

constructed and facilities built for the shipping and storage of bulk grain, cotton, and bananas. Railroad tracks were laid near the riverfront and the completion of the Public Belt Railroad in 1908 united all the tracks serving the port. The WTC (ITM as it was then known) was conceived in the immediate post-World War II era as a means of restating the port's preeminence. As the war grew to its close, a group of civic leaders determined that New Orleans should assert its place as one of the great trading cities of the world. To this end they established International House, dedicated to peace, trade, and international understanding. As well as increasing shipping through the port, they wanted to make it possible for buyers from other countries, particularly those of Latin America, to find in one spot imported goods they could buy for resale in their countries. These civic leaders envisaged and planned for New Orleans as the nation's principal port for trade with Latin America. To further this initiative, a non-profit organization, the International Trade Mart was chartered in 1945 with a goal to "add wealth and jobs" through international trade. It was the first such organization in the United States and the first of what today are 289 WTC organizations in 85 countries. The International Trade Mart and International House were intended to complement each other. In support of these initiatives, the Port opened its Foreign Trade Zone in 1947, the second established in the United States. By the end of the 1950s, when the WTC was conceived, around 5,000 ships passed through New Orleans per year and wharves extended for miles along both sides of the river. The 1960s saw the container revolution.

Plans for a building for the International Trade Mart began in 1955. At that time, the organization was renting a pre-existing building, which had proved

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Trade Center

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Statement of Significance (continued)

too small within months after it was occupied. But finding a

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

prestigious, symbolic, and appropriate site for a new building proved difficult and it was only in 1959 that a site where Canal Street meets the Mississippi River was acquired from the Southern Pacific Railroad. In 1963, under ITM director Clay Shaw, the trade organization leased the 1.7 acre site. The ITM's directors by then realized their original scheme for a nineteen-story building that they had commissioned from Edward Durell Stone in 1958 was too small for their needs. He was asked for a new design for a much larger building. Construction began in October 1963 and was completed in 1967. The ITM building was officially dedicated on April 30, 1968. The Organization of American States met here at the same time and participated in the dedication.

In 1985 the two organizations -- International Trade Mart and International House -- merged to form what is now called the World Trade Center. At that time the building was renamed from International Trade Mart to World Trade Center. The New Orleans' WTC (or ITM as it was then called) was a founding member of the WTC Association, and the WTC Association itself was founded in New Orleans in 1968. Today, the World Trade Center is a non-profit organization with a membership of almost 2,000 corporations and individuals dedicated to promoting international trade and the port of New Orleans. It sponsors trade missions to Latin American and the Caribbean nations, organizes trade shows, conducts educational programs and seminars, and hosts dignitaries and visitors from New Orleans's trade partner nations.

The ITM was part of a larger development that included an International exhibition hall (the Rivergate), which opened in 1968 as the trade and convention center. This award-winning building was demolished in 1995. Only the WTC survives to represent this historic expansion of the port and its activities. The WTC is prominent on the city's skyline from such principal streets as Canal and Poydras and to arriving and departing ships. It embodies the city and the state's centrality to the nation's links with the world through trade, and most notably with the Caribbean, Central America, and Latin America. As Thomas Jefferson said on the occasion of the Louisiana Purchase, "New Orleans will be forever, as it is now, the mighty mart of the merchandise brought from more than a thousand rivers." More than any other building in New Orleans or Louisiana, the WTC is an icon of the city's historic role and continuing importance as one of the nation's major ports.

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

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www.nutrias.org/~nopl/exhibits/gateway

2. WTC NATIONAL REGISTER FIRST DRAFT EXCERPT - CONFIDENTIAL

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Times Picayune, 5 August, 1958, p.32; 15 October, 1961, p.1; 27 October, 1963, Sec.5. p.26; 9 June, 1965, p.1; 16 March, 2003, p.F1,F2; 28 March, 2004; p.F1,F2;

Verbal Boundary Description

City of New Orleans. District, Square - 2 Canal Street

Verbal Boundary Justification

Bounded by Canal Street (north), Convention Center Boulevard (west), Poydras Street (south), and Mississippi River (east)
FEET, INCHES, LINES, etc.

3. HISTORY OF WTC BUILDING REPORT

THE STORY
OF
INTERNATIONAL HOUSE
AND
INTERNATIONAL TRADE MART

by

ALonzo G. Ensenat
1974

3. HISTORY OF WTC BUILDING REPORT

*With grateful acknowledgement
for contributions by:*

C.C. "Bud" Walther

Pendlton Lehde

Alfred M. Cowen

Kenneth Barranger

Captain J. W. Clark

Delta Steamship Co. (Mississippi Shipping Company)

Family of William Zetzmann, Sr.

George Healy, Jr.

Mrs. Mae Lagan

Miss Goldie Moore

3. HISTORY OF WTC BUILDING REPORT

One cannot be in New Orleans for long without hearing of International House and of International Trade Mart in the press, on TV and radio, or being invited to a function at either of these two institutions. One has only to look toward the head of Canal Street, our main and wide thoroughfare, to see a visible monument to New Orleans' internationalism in the towering International Trade Mart building

How did all this come about? What made New Orleans the natural soil for such consciousness of the worth and importance of international trade? Obviously it was necessity born of its very geographical location. Trade is the lifeblood of New Orleans, and the Mississippi River at its door gave that trade a magic impulse that made New Orleans grow from a humble village on the fringes of a wilderness in the mid-1750's to the modern metropolis it is today. But it takes men, ideas, and ideals to make for tangible progress. How did International House and International Trade Mart come into being?

Well, it was such a casual, natural thing, the way it happened. Let us go back to the days of World War II - then New Orleans was enjoying a tremendously augmented volume of commerce in and out of its port. It was so well handled as to have New Orleans classified by the War Department as the most efficient seaport being used for the war effort.

Among the men most closely associated with the movement of all these cargoes was Mr. E. O. "Archie" Jewell, who at the time occupied the position of General Manager of the Port of New Orleans. Amid his day-to-day duties he foresaw the time when peace would come and the volume of commerce would settle back to smaller tonnages through the port. He concluded that a very conscious and determined effort should be made to encourage peacetime trade to come still through New Orleans.

He must have devoted much thought to this projection into the future, for in 1942, the first year of the United States' involvement in the war, he was discussing with several of the members of his Board of Commissioners of the Port of New Orleans (popularly called the Dock Board) his ideas not yet fully formulated. It happened that Mr. Jewell was a member of the first Toastmasters Club of New Orleans: a group usually of about thirty persons who meet informally for dinner and select some of their members to be the after-dinner speakers, thus improving themselves in public speaking through practice and mutual constructive criticism.

In early March of 1943 at one such dinner meeting of a Toastmasters Club, held at the New Orleans Athletic Club's Trophy Room, Mr. Jewell chose for the subject of his three-minute speech the theme he had been developing in his mind and argued in his speech for the adoption of "a plan to consolidate the interest of all interested parties by forming an organization that would coordinate the cultural, social and commercial relationship between the people of our country with the people of other countries of the world, particularly the other American Republics".

3. HISTORY OF WTC BUILDING REPORT

The idea was enthusiastically received by those present and Mr. Alfred M. Cowen made a motion that Jewell's idea be followed up in order to find ways and means to implement it. A committee of six men was appointed by the Toastmaster Club President. C.C. "Bud" Walther, consisting of Cowen, Hebert Hiller, Alonzo G. Ensenat, Kay Blue, Joe Gumble, and Jewell, with Walther as an ex-officio member. This Committee agreed to meet weekly at Kolb's Restaurant to develop and refine Jewell's idea. They came up with two suggested names for the new organization: "Pan American Club" or "International House". Jewell expanded in writing on the kind of organization that should be formed. Jewell's presentation was both farsighted and even prophetic. Most of his recommendations form the major part of today's activities at International House.

Then what should they do next? Why of course present the idea to the men who had headed another effort that was orientated toward Latin America: Mr. Rudolph S. Hecht and Mr. William G. Zetzmann, Sr. But why these particular men? It had been proposed back in 1939 to hold a Pan-American Fair in New Orleans in 1942 on the 450th Anniversary of Columbus' discovery of our Hemisphere at which the products and produce of all countries of the New Hemisphere would be exhibited and thus foster trade among these nations. Mr. Rudolph S. Hecht, then Chairman of the Board of the Hibernia National Bank, and Mr. Zetzmann, a Director of the same bank, and some of their associates had become interested to the point of soliciting through State Representative Kenneth Barranger a grant of one million dollars from the Louisiana Legislature so long as the Federal Government would grant five million dollars more.

The idea had been presented by Mr. Hecht to then-Secretary of State Cordell Hull and was being actively considered when war broke out in Europe on September 1, 1939. It was decided then that the Pan-American Fair had best be shelved until the war was over. As Mr. Zetzmann, who had been elected President of the proposed Fair, remained active in internationally oriented affairs, it was to him that the Toastmaster Club committee first came.

Mr. Jewell was called out of town on the date appointed to see Mr. Zetzmann, so C.C. "Bud" Walther went and received an enthusiastic reaction from Zetzmann. So much so that Zetzmann suggested that the Committee expand and put in writing their ideas and he would invite fifteen leaders of New Orleans business life to meet with him at which time the Committee could make their presentation.

This meeting was held in the Board Room of the Hibernia Bank with Mr. Hecht presiding. Mr. Hecht was an internationally known banker, had been President of the American Bankers Association and possessed of enormous energy. He became very interested in the project and the many ideas he contributed no doubt went far to put the project into viable form.

To those men present at this meeting in the Hibernia Board Room, the idea presented seemed most timely and useful. Mr. Hecht felt that now the backing, financially and otherwise, by a larger group was needed. He suggested that invitations be sent to some

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125 leading businessmen to a luncheon, which was held at the Roosevelt Hotel (now the Fairmont Hotel) in mid-July 1943.

At that luncheon after the concept or idea was presented, Mr. Hecht and Mr. Zetzmann asked the assembled group if any would be willing to pledge funds toward the foundation of such an institution as described. The response was unbelievable. The steamship companies there represented volunteered the first pledges of money contributions. Mississippi Shipping Co. (now Delta Line of which Mr. Hecht became Chairman of the Board) pledged \$15,000, for example. Mr. Andrew Higgins, Sr., the famous shipbuilder, was present and remarked that steamship companies would be the first to benefit from the efforts of the proposed institution, and why did they contribute only \$15,000? He would match the largest amount any steamship company would contribute and so it was that \$25,000 was contributed each by the Higgins Industries and by Mississippi Shipping Co. and the ball rolled on and on.

About the same time Mr. Zetzmann felt that to sell an idea a tangible object had to be presented. So, on his own volition, he bought the old Citizens Bank Building at 620 Gravier Street and tendered it to the institution now aborning for its headquarters. Brochures and publicity were prepared, frequent meetings were held by a core of interested men headed by Messrs. Hecht and Zetzmann. Committees were appointed to select a site, to formulate membership plans, etc.

We recall meetings during that summer of 1943 at Mr. and Mrs. Hecht's beautiful villa at Pass Christian where at luncheons under the shade of a long vine-covered arbor surrounded by their many oriental garden mementos, discussions ensued that led to the adoption of a proposed charter and proposed by-laws, defining the manner of financing the new institution after its name was selected: "International House".

It would have "Founder Members" who would contribute to the capital fund of the institution. Also "Sustaining" and "Active" members. It would be "A Center for Interchange of Culture and Trade" as its initial brochure stated.

Trade and Commerce were emphasized as the aim of the organization but so that it would be a living, palpitating institution and not a simple commercial office, there would be club facilities that would attract people, visitors and dignitaries to luncheons, dinners, social functions, all a part of the slogan suggested for International House's use by Mrs. T. Hale (Lindy) Boggs, our charming and much loved Congress-person: "Dedicated to world peace, trade and understanding". The then-Governor of Louisiana, Sam Jones, gave his total support to the project, as witnessed by his enthusiastic letter to Mr. Zetzmann of August 17, 1943 written after Mr. Jewell had made a personal presentation to him.

An Organization Committee was formed, stationery printed, showing Mr. Zetzmann as its Chairman; Hale Boggs was employed as its first Secretary and Edward F. LeBreton Sr., a Vice-President of Hibernia National Bank, acted as Treasurer.

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By November 1943 the publicity generated during the previous months had fanned enthusiasm greatly and more contributions were received in answer to a multiple of letters written by members of the Organization Committee to many~ business connections each of them had. Parenthetically, it should be mentioned that during the war years there was imposed an excess profit tax, and since contributions to International House were considered tax-deductible thanks to an intelligent presentation to Washington of International House's nature and objectives by Mr. Hecht, contributions continued.

Such was the response from business interests that it became obvious that the former Citizens Bank Building Mr. Zetzmann had purchased would not be large enough to accommodate the increasing number of applicants for membership. So Mr. Hecht initiated the efforts to purchase the former Louisiana Bank & Trust Co. building then facing Camp Street at the corner of Gravier Street. Mr. Zetzmann then sold the Citizens Building.

Now the Louisiana Bank Building had to be remodeled to serve the purposes of the new organization. Architects were engaged, engineers too, and plans developed to transform the banking room and upper floors of the old Louisiana Bank Building into the beautiful quarters you can now enjoy as International House.

Now also began solicitation for memberships. A list of worthwhile candidates for membership was parceled Out among the leaders of the group: Theodore Brent, Jewell, Hecht, Zetzmann and LeBreton Sr., A.B. Patterson Sr., President of New Orleans Public Service Inc., Mr. George Terriberry, attorney, as well as others. Letters were written also soliciting pledges and in they did come. Mr. Pendleton E. Lehde, a nationally known engineer and shipbuilder, and Dr. Alton Ochsner Sr., a world-renowned surgeon, were among those responding.

Other contributions came in to such an extent that on December 28, 1943 the Organization Committee authorized Mr. Zetzmann to announce to all subscribers that "the minimum goal of \$250,000 of subscriptions has now been exceeded", but it was decided to make no public announcements of the definite establishment of International House at that moment, until plans for an announcement coupled with simultaneous worldwide publicity were completed.

Favorable comment continued to come in. Charles Nutter, who was later to have such an active role with International House, wrote on November 22, 1943 from his post in Kansas City with Associated Press to Mr. Hecht congratulating him on International House and asking Hecht to consider him a friend of that idea.

Now at the end of 1943, Hale Boggs resigned, as Secretary to return to his career which was to make him a nationally and internationally respected leader. International House, as it grew, had in him a constant and loyal friend.

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So at the beginning of 1944, it was fairly certain that the project could go forward, having sufficient funds pledged to accomplish all needed remodeling and having projected income to operate comfortably in the black. So the Charter was filed in Baton Rouge and on January 20, 1944 Zetzmann wrote to Founder Members (Contributors) to attend a meeting on Tuesday, January 25, 1944 to elect Directors of International House.

Included among the first Directors are those earliest mentioned in this story:

Jewell, Ensenat, Walther, Joseph Gumble, as well as many prominent men in business and the professions.

The Directors elected Mr. Hecht Chairman of the Board, Mr. Zetzmann President and the other officers elected were:

Adolph E. Hegewisch, First Vice-President
Theodore Brent, Vice-President
Crawford H. Ellis, Vice-President
William H. Trauth, Vice-President
Edward F. LeBreton, Sr., Treasurer
Kenneth C. Barranger, Secretary

The Directors' first meeting on Friday, January 28, 1944 at 4:45 p.m. followed a worldwide radio broadcast announcing the establishment of International House. This radio broadcast was famous because it was conspicuous by its presence in the middle of a war to have merited inclusion by the networks, and featured a Washington-hookup at which Nelson Rockefeller, then Coordinator of Latin American Affairs, spoke. He referred to International House as "Our Good Neighbor Policy in Action". He praised its aims and congratulated the men who had made it possible.

(It is interesting to note that International House's dedication to "World Peace, Trade and Understanding", first used in late 1943, was later, November 4, 1946, to be used by UNESCO in substance, if not verbatim.)

Much publicity was created by this dedication broadcast and a list of media used to spread the good news includes the Christian Science Monitor, New York Times, St. Louis Post Dispatch and many others. Mr. Zetzmann's speech at that dedication recounts the efforts and the great enthusiasm that met the idea of creating International House, which spoke well for its support and success in the future in contributing to the prosperity of our area and the Mississippi Valley.

it is interesting to note that Mr. Brent made a suggestion in early January 1944 not only as to proposed changes in the By-Laws but also as to including women in the composition of the Board of Directors. Names submitted included Mrs. Jose Banos, Mrs. Alvin P. Howard, Mrs. Crawford H. Ellis. It was decided to have these and other socially prominent ladies serve on an Advisory Committee. Their work has helped

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create an aura of social prestige and eligibility to International House in its non-commerce activities.

Now the day-to-day business activities had to be organized. Mr. Hecht had suggested employing Herman G. Brock, formerly an officer with Guaranty Bank in New York City, as the first paid Manager of the organization. He was here but a few months from March 1944, when personal affairs forced him to withdraw. To succeed him, Nelson Rockefeller's office was contacted: thanks to the help of George Healy, Jr., then on active duty with the U.S. Office of War Information in Washington, J. Stanton Robbins was elected Managing Director beginning January 1, 1945. He had worked in Rockefeller's office and had prior experience in world travel agency work.

It was George Healy Jr. who also helped get priorities during the war-time period for scarce materials needed to remodel the building International House was to use, especially the air-conditioning equipment then very scarce and requiring priorities. Nelson Rockefeller was also asked to intercede by Mr. Hecht and the result was the completion of the remodeling work on schedule.

While the remodeling work was being designed the Directors were busy refining the proposed By-Laws. These were adopted at a special meeting of the Directors on March 22, 1944, held in the Board Room of the Association of Commerce, now Chamber of Commerce of Greater New Orleans Area. By now regular luncheon meetings were being held by an Executive Committee elected by the Directors, usually on Tuesdays. By May 23, 1944 Mr. LeBreton, Treasurer, was able to report that a total of \$348,000 had been pledged by Founder members and \$7,500 by sustaining members.

In late-May 1944 Herbert A. Benson, referred to in correspondence as "Our Architect", met with the Directors and plans were developed but later these, in September 1944, had to be altered after bids were in since the latter were much higher than the original estimates. Specifications were revised and the contract to remodel was awarded to Gervais F. Favrot for \$167,912, the low bid.

The remodeling took place during the remainder of 1944 and many months of 1945. We can recall many visits to the area, walking under scaffolding and debris, to watch, as an eager parent would, the birth of a new concept, an idea that was to serve New Orleans well.

The main entrance to the International House building was changed from one fronting on Camp Street to one facing Gravier Street. This freed a large area downstairs that had been the banking floor. It was decided to leave a Grand Hall with its cathedral ceiling the bank floor had and to construct a mezzanine on the other two thirds of that banking area, which today are the downstairs dining room and bar and the upstairs lounge and Spanish Room. A beautiful staircase made of marble was designed and installed. Paneling for the Grand Hall was carefully selected from Honduras mahogany. Other accouterments came from many parts of the world resulting in what is still today an elegant and fastidiously appointed establishment.

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A contest was held for the design of an emblem "that will symbolize the activities and aims of International House". The now well-known expanded horizontal expression of the earth resulted and it now decorates the facade of the remodeled building.

And the work was completed, International House became a reality for by June 8, 1945 a formal Inaugural Dinner for the Directors was held. Included in the menu was "International House Turtle Soup" which to this date is considered the golden apple of its kitchen. Before that June date there had been a week of preview functions. Governor Jimmie H. Davis came down from Baton Rouge to congratulate the Directors. The local and the national press were generous in their praise of the project. The Publicity Manager of International House, Pierre Villere Sr., later was to say that the phenomenal acceptance and publicity accorded International House was just "a natural" so well received was the idea.

Membership grew and the fees members agreed to pay soon gave the new organization a sufficient recurring income each year. So progress was continuous and more ambitious plans could now be contemplated and adopted. World War II was to end in August of that year (1945) and the mettle of the organization's *raison d'etre* was to be put to a test as cargoes changed dramatically from war commodities to civilian needs.

During the closing months of 1945, Robbins resigned to return to his first-love, travel agency work in New York City. Charles Nutter was approached and resigned his post with Associated Press to accept the Managing Directorship. His penchant for publicity and knowledgeable ways to get it proved a boon for the organization. His calm way and old-shoe informality made the new people within the organization jell well. (He remained with International House for over ten years and left to take another position elsewhere and later to edit his own newspaper in Mississippi.)

Nutter expanded the organization's activities. To promote trade, he employed Michael Mora to encourage exports. To foster imports, he employed George Ziwick. Later these two departments were to be merged into one Trade Promotion Department headed by Mrs. Tina Ensenat Herlinger for over ten years; it is now headed by Mrs. Florencia Hammond. The number of actual transactions put together by this Trade Promotion Department as it sought out suppliers of merchandise a foreigner wrote in to inquiry about, or that an American supplier wrote in wanting to sell abroad, grew and earned for International House in those crucial first years an outstanding reputation for promoting trade.

In June 1945, a new board of Directors was elected. The list of names which appeared in the local press includes many of the leaders in manufacturing, commerce, shipping, banking and professions. Then as succeeding Boards were elected it was the practice for the President's term to be two years, although this rhythm was later changed to a one-year term. Adolph Hegewisch was the Second President, followed by: Lloyd Cobb, Robert Elliot, C.C. Walther, Richard Jones, Joseph Rault Sr., Richard Freeman Sr., George Dinwiddie, Capt. Neville Levy, Dr. Alton Ochsner, Lawrence Molony, Zac

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Carter, Sterling Dunn, Arthur Jung, Jr., Richard Hindermann, Edward Rowley, Thomas Winkler, J. Luis Banos, and John Laborde.

Today the President is energetic and youthful Frederick Ingram.

During the intervening years and until his death in 1956, Mr. Hecht acted as Chairman of the Board. He never lessened his interest and support of International House. He and the companies with which he was associated contributed financially and often. The thoughts, ideas and hours of his devotion to this project no doubt helped it to grow into the successful and financially solvent organization it is today. It is fitting that his portrait should hang on an International House wall.

International House has consistently remained in solvent condition during the three decades or more it has been in existence thanks to the membership rolls that kept increasing, a fitting tribute to the men who first organized it on a sound financial basis and to the capable men who have been its Managing Directors.

It was only fitting, therefore, that the week of November 14 to 19, 1946 should have been declared "International Week" when New Orleans' beloved Mayor deLesseps Morrison and most trade and civic organizations joined in focusing public attention on International House and other organizations that fostered foreign trade, the inauguration of the Moisant International Airport, the dedication of the Foreign Trade Zone and on the initiation of construction of International Trade Mart, about which we shall soon learn more.

Such was the success of International House since it was first presented that not long after the initial discussions were taking place in 1944, this thought presented itself: if we succeed in drawing many Latin American and foreign buyers and sellers to our International House, what are we going to do with these traders? They will want to see the merchandise they wish to buy and to treat directly with its producer or its seller. New Orleans is essentially a port and not predominantly a manufacturing center. Why send a man to St. Louis if he wants to buy shoes or to Chicago if he wants to buy steel or to Toledo if he wants glass? Why not bring the products to New Orleans for exhibition? So the idea of an International Trade Mart was conceived in late 1944 first by leaders of our YMBC and enlarged upon in 1945 by the same group of civic leaders headed by Mr. Hecht and Mr. Theodore Brent, a close associate of Mr. Hecht's in Mississippi Shipping Co. and head of his own Coastal Barge Line.

Having the experience of organizing International House behind them, it did not take as long to finalize plans for International Trade Mart, as the former's sister organization was to be called. A Charter was signed on November 21, 1945 by eight leaders of this city.

In all 41 persons were named to its first Board of Directors, namely: Lester F. Alexander, E.V. Benjamin, Jr., C.A. Bertel, Durel Black, Theodore Brent, J.H. Bull, Lloyd J. Cobb, C. Earl Colomb, Theodore Dendinger, Charles I. Denechaud, A.G. Ensenat,

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A.B. Freeman, Charles Godchaux, B.M. Grunewald, R S Hecht, E.O. Jewell, Pendleton E. Lehde, Robert Lienhard, R.K. Longino, Dave Manget, S.V. Massimini, Joseph W. Montgomery, R.M. Nash, Leonard K. Nicholson, Ralph Nicholson, Frank S. Norman, Charles Nutter, A.B. Paterson, E.V. Richards, Jr., Raphael Ross, W.H. Saunders, Jr., George E. Schneider, Herbert I. Schwartz, C.A. Spurl, Jr., C.G. Staubitz, E.A. Stephens, Edgar B. Stern, Percival Stern, Frank E. Toye, Seymour Weiss, William G. Zetzmann.

A nearby building, the A. Baldwin & Co. structure, at the corner of Camp and Common Streets offered a suitable location both as to closeness to International House and as to the amount of rentable space it contained. An option was obtained to purchase it.

These newly elected Directors of the Mart had chosen Mr. Theodore Brent as its President and met on January 10, 1946 to hire an architect-engineer firm to design changes in the Baldwin building that would transform it into a modern, attractive Trade Mart. And so the idea developed to include many feet of glass-lined corridors behind which commodities could be exhibited, it being the intention that the producers of the merchandise shown would be represented there and be able to quote prices and delivery schedules. In a written presentation Mr. Brent described what he envisioned a Mart should be and how it should function.

By contributing \$6,500 each, Messrs. Schwartz, Brent and Hecht created Mart Realty Co. Inc., in late-1945, which would be the vehicle to purchase, remodel and complete the physical Mart itself. The extent of the changes suggested for the exterior and interior of the Baldwin building have to be seen in photographs to be appreciated. Rathbone DeBuys, Architect, and Godat & Heft, Engineers, were employed by the organizers to do this job of transformation.

Meanwhile, efforts were under way to rent the space to worthwhile tenants. At this point, on January 19, 1946 Mr. Brent recommended Major Clay Shaw to become Manager of International Trade Mart, then existing only in architect plans and designs. Mr. Shaw had just returned to civilian life after a noteworthy four years in the armed services after receiving many decorations and Paving been distinguished for scoring the second-highest IQ rating of any inductee up to that time.

A pamphlet was printed spelling out the advantages of renting space in the new Mart and Mr. Shaw traveled far and wide to obtain leases from prospects whose names were obtained from all subscribers.

But how was all this to be financed? An ingenious method was developed:

the improved building would naturally have a greater value than it formerly had. Pan American Life Insurance Co. was willing to lend one half or about \$550,000, later increased to \$675,000 at 4% for 20 years; the other half would be represented by Junior Mortgage Bonds bearing 3% interest beginning in January 1948 when the Mart would be operative.

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Remembering the interest expressed earlier by the Young Men's Business Club, they were approached to help with the sale of the Junior Mortgage Notes. Thanks to the enthusiastic response from YMBC's then President, Mr. C. Earl Colomb, a fantastically extensive and successful door-to-door campaign was carried out by that enthusiastic group of young businessmen. With the example set by New Orleans Public Service Inc. and Mississippi Shipping Co., each of whom bought \$50,000 of these junior mortgage bonds, all the remaining junior bonds were sold and the money put to earn interest until such time as needed to pay for remodeling the building.

So by November 22, 1946, a contract could be signed with Gervais F. Favrot Co. paying them a 10% fee (maximum \$50,000) and the work began to get bids. Changes had to be made in the architect's plans and also the Directors agreed to increase their own subscriptions by 20% and to buy more stock so as to meet the higher costs indicated by the bids received. It was not till mid-1947 that everything fell into place, the Baldwin building was bought for \$195,000 and Gervais F. Favrot Co. contracted to remodel it for \$649,752, plus other contracts for elevators, sprinklers, and air-conditioning.

All this represented many man-hours voluntarily given by the men to guide and direct the developing project, men whose own multiple business activities would ordinarily preclude their doing this.

Much credit is due Messrs. Hecht (Chairman), Brent, Schwartz, Paterson, Alexander, Zetzmann and Colomb, who as an Executive Committee guided the embryonic organization to its birth.

Meanwhile, Mr. Shaw's efforts brought fine tangible results and projections could be made of rental income from space leased (96% of rental space was under lease by 1949). Annual expenses could confidently be covered.

It is flattering to note that even in March, 1946 when the Mart was not yet a reality, Alfred J. Wardell, Jr., Deputy Commissioner, State of New York, Department of Commerce, Albany, New York wrote wanting to know about International Trade Mart, how it was organized and what were its aims. The Chicago Journal of Commerce carried news in April 25, 1946 of 'New Orleans Opens World Trade Mart'. The New York Times carried a flattering article.

A list of first tenants included David Kattan, Otis McAllister Co., Hemisphere Trading Co. (of which Alonzo G. Ensenat was Manager), United China & Glass Co., W. R. Grace & Co., S. Jackson & Son, Inc., Dictaphone Corp., Lily-Tulip Co., and Lucky Tiger Co.

Finally, by November 1948 invitations could be issued for a two-day celebration on the 29th and 30th of that month on the occasion of the "Formal dedication of the International Trade Mart". And an impressive building it had become with a global motif inserted in the mosaic floor at the entrance to its lobby, with clean, well-lighted corridors lined with merchandise of many lands and most of the amenities of a modern center of commerce.

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At this juncture we may reflect on why was the Mart organized as a separate entity from International House when the two were devoted to parallel objectives?

One plausible explanation by Mr. Kenneth Barranger is that when it became fairly well defined how large would be the financial obligation to be undertaken to make the Mart a reality, many of the Directors of International House decided not to tie the assets of a going concern (for the House by mid-1945 was a going thing) to an as-yet unknown project and thus were separated the financing and later the activities of the Mart from those of the House. However, it was contemplated that at the operational level the two would work in tandem. There would be interlocking Boards of Directors. Mr. Hecht was Chairman of both Boards. Mr. Brent, the Mart's President, would be on both the Boards and on the Executive Committee of the House. Close cooperation between the two was expected and planned. This cooperation continued for many years, as for example in 1961 when Mr. Charles Nutter left the Managing Directorship of the House vacant, Mr. Clay Shaw, then Managing Director of the Mart, stepped in and managed both the House and the Mart for over a year until Dr. Paul Fabry came to the House.

The idea of joining the two organizations more closely and even merging them into one was conceived and persisted early in their respective histories, especially after each was operating profitably. Mr. Rudolph Hecht felt this should be done for the good of both. With that prospect in view the opportunity was seized upon to sell the original Mart building in 1955 to a New York group of investors and to lease it back from them. This freed capital funds and still permitted the Mart to operate as before until final consummation of the intended unification plan.

Now it was a matter of finding a suitable location where both of the organizations could be housed. Various locations were investigated based on the assumption that property owned by the City of New Orleans would be made available for a nominal annual rental, and this was the declared intention of our internationally minded Mayor deLesseps Morrison, for that would greatly facilitate financing the project. Two locations were seriously considered, one in the center of the plaza fronting the present City Hall (which the City Planning Commission vetoed) and the other the narrow but long area where the former Southern Railway passenger station stood at Canal Street and what is now Avenue of the Americas (formerly Basin Street). The latter was unsuitable because of underground installations, which brought objections from the Sewerage and Water Board. With uncanny foresight, and at the suggestion of Mr. Durel Black, Mr. Rudolph Hecht persuaded International Trade Mart to use their freed capital funds to buy two squares of ground near where Canal Street meets the Mississippi River, in what was then a depressed area of railroad tracks, warehouses and old buildings.

Meanwhile, Mr. Theodore Brent had passed on June 8th, 1953 and Mr. William G. Zetzmänn Sr. became the Mart's second President on July 7, 1953, a post he held until his demise on April 13, 1962. During his term many efforts were made to amalgamate the two organizations. International House's Directors still felt they did not want to tie up their assets, if it came to that, to guarantee the projected building of a larger and finer

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Mart. During this impasse the Mart had to operate on a declining amount of income as tenants began moving from the original Mart building to newer buildings going up in the central business district, while the Mart's rental to the new owners remained constant and squeezed its net income which went down until finally a deficit was produced

In 1962, Mr. Lloyd I. Cobb became President. Considering the then-precarious financial condition of the Mart, he was just the person needed to breathe into that organization a new life. He had the stamina and bulldog determination to see International Trade Mart's revitalization through. And in time, as he himself told me, "the Holy Ghost came through the ceiling", meaning that when nothing seemed to work, a fortunate combination of circumstances developed when a Memphis-based builder, Bloomfield & Associates, and Cobb developed an ingenious and workable plan for building a new Trade Mart Building.

The land ITM had bought near the Mississippi River and Canal Street was the nucleus of the plan. Thanks to the cooperation of all concerned, the City of New Orleans, which owned much of the adjacent land, the State of Louisiana whose Agency, The Board of Commissioners of the Port of New Orleans, owned other pieces of the land also adjacent, and two railroads which had perpetual trackage rights on other pieces of land also adjacent, all the several parcels of land were put into a single unit, and this one deeded to the City of New Orleans. Thus Trade Mart's bonds could be sold as tax-exempt bonds at lower interest rates and in an amount of seventeen million dollars to finance the building of the new Trade Mart. The results were telling: With lower bond rates, lower rentals could be named and the new Mart building would fill up quickly.

And so it was that on March 29, 1961 the articles of incorporation of the New Orleans International Trade Building Corp. were signed by Zetzmänn, Cobb, Lehde, Barranger, and Ashel Cooper Jr., an insurance executive also associated with the Hecht Estate, for the purpose of "constructing, acquiring, owning, leasing and operating" what was to be a new and grander building to house the International Trade Mart.

The building was constructed by Bloomfield at cost, with the provision that Bloomfield would share in the profits produced from rentals on a 50-50 basis for the first 20 years and on a basis of 75% to the Mart and 25% to Bloomfield thereafter until the 56th year of the building's erection, at which time title would revert back to the city of New Orleans.

It was quite a thrill to attend the Topping Out Ceremony held on July 6, 1965 and to read all the flattering things published in the press and broadcast on TV and radio about the new landmark for New Orleans. Even the Paris European English edition of the New York Herald-Tribune published a special supplement paying tribute to this new concept of global trade sponsorship. It is a beautiful building, designed by famed architect Edward Stone and now stands as a distinguishing symbol at the entrance to New Orleans harbor, just as the Sugar Loaf Mountain does at the entrance to Rio de Janeiro or the Statue of Liberty when entering New York Harbor.

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So you can imagine the satisfaction and gratification that was Mr. Cobb's on April 30, 1968 when the formal Dedication Ceremonies took place, as part of a larger and combined celebration of the 250th anniversary of the Founding of New Orleans. Ambassadors of many countries came, there were parades, banquets and the Organization of American States held its first meeting outside of Washington, D.C. here in New Orleans on that occasion.

In his dedicatory speech Mr. Cobb stated what the aims of the new International Trade Mart would be: to act as a catalyst to develop trade and not be just a display area for foreign goods; to encourage and stimulate U.S. investors into joint enterprises with Latin Americans; to counter Communist propaganda; to give priority to educational projects; to foster a common market in the hemisphere; to work in friendship with other organizations and with the Inter-American Municipal Organization.

Many of these objectives are today's realities. International Trade Mart sponsors an interchange of teachers from Latin America to USA high schools and from USA to Latin American high schools and colleges, under the auspices of the Cordell Hull Foundation, which International Trade Mart administers. The Inter-American Municipal Organization's headquarters were housed in the Trade Mart for many years.

International Trade Mart conducts educational training programs for international executives in cooperation with local universities as well as a summer-study program at Latin American universities with participation by five universities in the south of the United States.

International Trade Mart participates in specialized trade missions in cooperation with Council of the Americas, a national trade association, and its impressively beautiful executive offices on the 29th floor are lent for use by business groups for meetings and for seminars. It has inaugurated its own series of seminars on trade problems of interest today. Recently one on trading with specific countries, Brazil, for example, was well attended by executives from firms in and outside of New Orleans. Another on trading and investing in South Korea followed. These seminars are often accompanied by exhibits of each country's products, artifacts and art in the spacious and beautiful entrance lobby of the new Mart. Sales from these exhibits often are surprisingly large.

An outside glass elevator affords its passengers a breathtaking view of the city as it glides thirty-one stories to an observation deck, part of which is glass-enclosed. There is housed a Maritime Museum - well worth visiting in order to visually appreciate the history and development of New Orleans' great port, as one views from that height the miles of wharves and many vessels from all over the world that is the port today and what the museum shows it was many years ago.

Locating the new Mart where it is portended a continuing development of that area at the head of Canal Street. To that end Mr. Clay Shaw helped immeasurably by a masterful presentation in speeches throughout the State stressing the advantages to New Orleans' and Louisiana's foreign commerce were the Dock Board to build a

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convention and exhibition facility such as San Francisco was then building, this conviction being based on the historically accurate premise that commerce follows the visiting traveler. And so the Rivergate Convention and Exhibition Center was built facing the new Trade Mart and its appearance assured the renaissance of an area that a century earlier had been a busy, throbbing whirl of commerce across open wharves with packet steamers docked side by side and several deep in the Mississippi River.

The future plans of the James J. Colemans, the Lester Kabacoff group and the Joseph Canizaro group for that area now include a beautiful complex of parks, shops, offices, hotels, malls, tennis courts and gardens.

Even now France has donated and installed there a beautiful "Place de France" with a statue of Jean d'Arc, an exact copy of the one on Rue Rivoli, near the Louvre in Paris, and Spain is finishing a beautiful "Plaza de Espafia" on the riverside of the new Trade Mart, fitting symbols of our French and Spanish background when each of these countries governed here in the 1700's.

Each organization has been very successful in its own specialty and there is need for continuing cooperation.

So successful have been the appeal and performance of International House to foreigners that Dr. Paul Fabry has been visited by many officials from many cities from all over the world, who are interested in creating just such trade promotion centers in their own communities. And thanks to Dr. Fabry's foresight, a world-wide league has been formed of these trade centers called World Trade Centers Association, which was started right here at international House in New Orleans in 1968 by Dr. Fabry and of which he is Vice-President and Treasurer. This Association is part of a 90-member chain, which operates in 40 countries, provides 15-minute radio programs in Spanish which are beamed three times a week to South America from transmitters in Venezuela and Columbia. These broadcasts tell the story of the City and Port of New Orleans and cover topics of current international importance. The World Trade Centers in 1975 will provide the first worldwide-computerized information network of commercial data.

International House also is a depository of much valuable data; it has a unique library of over 15,000 volumes of trade dictionaries, statistical sources, government pamphlets and other reference books.

Its multi-lingual staff currently answers an average of 500 questions a month from business and professional community locally and also from World Trade Centers in 40 countries.

And in Bogota, Colombia a Trade Mart fashioned after our own is in existence in a forty-four story structure — literally the highest compliment our own Mart could receive, for imitation is the sincerest form of flattery. Our own Mart in addition to its many activities already related, with great foresight included on its thirtieth floor what came to be named "The Plimsoll Club", an elegant and distinctively decorated meeting place which

3. HISTORY OF WTC BUILDING REPORT

has now made a reputation for itself as being the optimum for formal and informal receptions of internationally known personalities, Presidents, wives of Presidents, Ambassadors, leaders of Finance, and Directors of Ports throughout the world.

On Mr. Cobb's passing on November 27, 1972, Captain J W. Clark was elected President of International Trade Mart and already his many talents, quiet assurance and charming manner have created an era of close cooperation between the Mart and the House; ambitious plans are being soundly thought out and jointly projected and in the next few years, with other like-minded leaders at the House, as is Mr. Frederick Ingram, we will see in our midst the fruitage of this constructive thinking.

So you can see how an idea, like an acorn, can grow and grow and become a catalyst to expand trade all over the world and to think it all started right here when a Toastmaster made a three minute after-dinner speech!

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

*Building 0B
Copy*

INTERNATIONAL TRADE MART
and
INTERNATIONAL RIVERCENTER
LEASE

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MAY 10 2002

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

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4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

This lease executed in quintuplicate this 7th day of April, 1973 between International Trade Mart, a Louisiana Corporation, and International Rivercenter, a Louisiana Partnership (hereafter called respectively "Landlord and Tenant".)

WITNESSETH:

LEASED PREMISES

1. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord that certain parking garage building located adjoining the International Trade Mart Building in New Orleans, Louisiana.

Said garage building, the plans of which have been submitted by Landlord to Tenant, consists of 1000 "self-service" car parking spaces, and is, and will remain, the sole parking facility of said International Trade Mart Building, and is designated as the "Official International Trade Mart Garage".

PLANS AND SPECIFICATIONS

2. Tenant accepts the garage building in its present condition and warrants that any and all improvements made by tenant will be made in accordance with state and city building codes. Tenant further agrees to take full responsibility for any damage structural or otherwise caused to the garage building as a result of tenant's improvements.

USE OF PREMISES

3. The premises shall be used for the purpose of operation as a parking garage and minor automobile servicing, but Tenant shall have the right to lease out to permit the use of the garage for compatible activities such as automobile rental, sale of accessories, and the sale of various items through vending machines. Any part of the premises which are not suitable for parking may be used for any legal purpose desired by Tenant. Tenant shall give first preference for the available parking space to the tenants of the International Trade Mart Office Building and their visitors, but shall also have the right to rent out any remaining space to anyone else wishing to use the garage facilities.

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

RATES

4. Tenant shall offer monthly parking to the tenants of the International Trade Mart Office Building at rates which shall be competitive with those rates charged by other garages in the area serving office buildings in the city of New Orleans, and shall charge "transient" rates similarly competitive. Tenant agrees to honor all the terms and conditions for garage spaces and the usage by the tenants of the International Trade Mart in accordance with the terms of their present leases. Tenant rates will always be kept equal or lower than any garage built on land owned by International Rivercenter.

EXCLUSIVITY

5. Tenant shall have the sole and exclusive right to have Tenant's facility designated as the "Official International Trade Mart Garage" and Landlord shall endeavor to direct all of Landlord's Office Building tenants to the garage for the storage of vehicles. Landlord will not permit any other garage or parking facility to be designated as the Official Trade Mart Garage.

NUISANCES

6. Tenant shall not perform any acts or carry on any practices which may be a nuisance or menace. Tenant shall not burn any trash or garbage of any kind.

LEASE TERM

7. The term of this Lease shall be for a period of 46 years and 6 months; commencing on the 7th day of April, 1973, the time the Tenant's obligation to pay rent begins, pursuant to the next paragraph and expiring on the 8th day of October, 2019.

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

FIXED
MINIMUM RENT

8. Tenant shall pay Landlord an annual fixed minimum rent of \$125,000.00 (One Hundred and Twenty Five Thousand Dollars) a year, payable monthly in advance in equal monthly installments beginning on the seventh day of April, 1973, and ending on the 8th day of October, 2019.

FIXED RENT
MODIFICATION

9. As against the aforementioned fixed rental, Tenant hereby agrees to pay the following rentals based upon a percentage of the gross parking business done by the Tenant if it exceeds the minimum rental of \$125,000.00 (One Hundred and Twenty Five Thousand Dollars) a year, or the following whichever is the greater:

1. 60% of the gross annual parking income starting at 0 (zero) Dollars to \$225,000.00 (Two Hundred and Twenty Five Thousand Dollars).
2. 70% of the gross annual parking income proceeding from \$225,000.00 to \$300,000.00 (Three Hundred Thousand Dollars).
3. 80% of the gross annual parking income proceeding from \$300,000.00 to \$375,000.00 (Three Hundred Seventy Five Thousand Dollars).
4. 90% of all gross annual parking income over \$375,000.00.

This additional rent amount shall be payable within 30 (Thirty) days after each annual period of the Lease.

GROSS PARKING
REVENUE
DEFINED

10. For purpose of this preceding paragraph, gross parking revenues shall be all the revenue from any source dealing with the storage and service of automobiles, as well as parking, whether monthly, weekly, or transient, whether from tenants of the International Trade Mart Building or others, which Tenant shall actually have received, exclusive, however of any sales taxes or similar taxes collectible from customers which Tenant shall collect from the customers simply in order to remit to

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

	any authorized government authorities.
CONTINUED OCCUPANCY	11. Tenant shall, directly, or continuously and uninterru- ptedly, during the term of this Lease maintain parking facilities available to the tenants of the International Trade Mart Office Building, but Tenant shall be the sole judge whether to maintain attendants at the garage or rely entirely on automatic operation, equipment to be furnished by the tenant, when the volume of business shall not warrant the presence of an attendant.
PARTIES NOT PARTNERS OF JOINT VENTURERS	12. Landlord shall not in any way or for any purpose become or be deemed to be partner of Tenant in his business or otherwise, or the joint venturer or a member of any joint enterprise with Tenant.
TAXES	13. Any increased and new taxes imposed on the realty as well as assessments levied, assessed or imposed, shall be paid by tenant from an increase in parking rates for this purpose, which increase shall be eliminated from computed gross receipts for rental payment purposes. Tenant shall be responsible for all taxes imposed upon Tenant's personal property, and for all improvements and additions made by tenant.
ALTERATIONS AND REPAIRS REQUIRED BY LAW	14. (Deleted)
UTILITIES	15. Tenant shall pay all charges for telephone, elec- tricity, gas, heat, water and other utility services used in the premises, including complete maintenance of light fixtures, bulbs, ballasts, elevators and complete fire protection system.
PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE	16. Tenant agrees that he will, at all times during the leased term, maintain in force a policy or policies of com- prehensive liability insurance, including property damage, written by one or more responsible insurance companies, which shall insure Tenant against liability for injury to persons

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

and/or property and death of any person or persons occurring in or about the premises. Landlord may, at its option, require that each such policy be submitted to it for approval as to form and insurance company. Each such policy shall contain a clause or endorsement wherein the insurer agrees to indemnify and hold Landlord and Landlord's agents, servants and employees harmless from and against all costs, expenses and/or liability arising out of or based upon any and all claims, accidents, injuries and damage. The liability under such insurance shall not be less than \$500,000.00 (Five Hundred Thousand Dollars) for any one person injured or killed, and not less than \$500,000.00 (Five Hundred Thousand Dollars) to \$1,000,000.00 (One Million Dollars) for any one accident and the insurances for property damage shall be in an amount not less than \$100,000.00 (One Hundred Thousand Dollars). At Landlord's request, Tenant will provide Landlord with either photostatic copies of all said policies, a certificate from each insurer which states that such insurance shall not be cancelled except after ten (10) days' notice in writing to Landlord, or both.

EMINENT DOMAIN

17. In the event the whole of the demised premises shall be taken under the power of eminent domain the term hereof shall cease as of the day possession shall be so taken. In the event that part of the demised premises shall be taken under the power of eminent domain, then Tenant shall have the election to be given in writing to Landlord whether Tenant wishes to continue with the lease and receive a pro-rata abatement of rent based upon a percentage of actual parking spaces lost by Tenant, or whether Tenant wishes to terminate this lease. Such election by Tenant must be made within 90 days after the taking under the power of eminent domain.

All damages awarded for any taking under the power of eminent domain whether for the whole or part of the demised premises shall be divided between Landlord and Tenant. Land-

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

lord shall receive from the damages paid an amount equal to the value attributed to the physical properties taken and Tenant shall receive all amounts to compensate Tenant for the loss of the business and for an amount equal to the value attributed to any physical improvements made by tenant. Should the judgment or award for condemnation not specify which portion of the damages are allowed to Landlord, and which portion is allowed to Tenant, then Landlord and Tenant agree to have the matter arbitrated as provided hereinbelow.

ARBITRATION

18. Should there be any other disputes between the parties hereto concerning the terms of this lease, then such disputes shall be submitted to arbitration at New Orleans, Louisiana, pursuant to the laws of the State of Louisiana, and in accordance with the rules and regulations of the American Arbitration Association, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitrator's decision shall be rendered as quickly as possible and shall be final. Unless the arbitrator decides otherwise, the parties shall share the costs of arbitration, other than their own costs equally.

GAS RATIONING OR NATIONAL EMERGENCY

19. In the event the government of the United States, the government of the State of Louisiana, the government of the City of New Orleans, or any other competent government agency having jurisdiction thereof, declare a state of emergency, and impose any type of restriction on the free circulation of automobiles, by means such as gas rationing, mileage control, restriction on the use of tires, etc., and such action by any government agency continues for more than 30 days, then Tenant shall be relieved, for the duration of such restrictions, from the payment of minimum fixed rental, but shall continue to pay the percentage rental as provided hereinabove, except that Tenant shall in

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

lieu of a fixed minimum rental pay 60% of all sums collected from parking by Tenant in the month immediately preceding, such payment to be made 10 days after the conclusion of every month.

Upon the end of restrictions on the free use of automobiles, the fixed minimum rental provisions of this lease shall re-enter into effect.

HOLD
HARMLESS

20. Tenant agrees to indemnify and save Landlord harmless from and against any and all claims arising from any act of negligence of Tenant or Tenants, agents servants, or employees, or arising from any accident, injury or damage whatsoever caused to any person or property occurring in, on, or about the premises, or any part thereof. Landlord in turn agrees to hold Tenant harmless from and against any and all claims arising from any act, omission, or negligence of Landlord, his agent servants, or employees.

NOTICES

21. All notices, statements, demands, requests, consents, approvals, authorizations, offers and agreements by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if sent by registered mail, return receipt requested, registered or airmail, if the distance exceeds 300 miles, postage prepaid and addressed as follows: If sent to tenant, the same shall be addressed to the last known post office address of Tenant. If sent to Landlord the same shall be addressed to International Trade Mart Office Building, Management Office, New Orleans, Louisiana. All such notices, statements, as aforesaid, shall be deemed to be effective seventy-two (72) hours

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

after the same are deposited in the mail in conformity with this paragraph.

WAIVER

22. One or more waivers of any covenant or condition by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by either party to the acts of the other party shall not be deemed to waive or render unnecessary the consenting party's subsequent consent or approval to or of any subsequent or similar act.

RECORDS & ACCOUNTING

23. Tenant shall keep on the premises true and complete records including used parking checks and accounts of all gross parking sales on hand for inspection or check by Landlord at any time and for a period of 30 days following an annual audit by Landlord of an accounting of the preceding year's gross parking revenues. Thereafter Tenant shall be permitted to discard all used parking checks but shall keep a summary of daily receipts for an additional one year period. At the expiration of said one year period, Tenant shall have the right to discard all records, except such records as Tenant shall deem necessary for the purpose of filing of tax receipts of various nature.

SUCCESSORS & ASSIGNS

24. The terms and provisions hereof shall be binding upon and inure to the benefit of successors and interests of the assigns of both Landlord and Tenant.

VACANCY

25. Lessee will not leave the premises vacant during any part of the term of this lease.

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

MORTGAGES ASSIGNMENTS & SUBLETTING

26. Any assignment or other disposition of this lease by tenant shall be without prejudice to this Lease. If this Lease be assigned, or if the leased premises or any part thereof be sublet or occupied by anybody other than Lessee, Lessor may, after default by Lessee, collect rent from the assignee, or occupant, and apply the net amount collected to the rent herein reserved, but no such collection shall be deemed a waiver of this covenant or the acceptance of the assignee, or occupant as Lessee, or a release of Lessee from the further observance and performance by Lessee of the covenants herein contained.

LEASING AGREEMENT

27. This lease contains and exhibits the entire agreement between the parties, all previous or contemporaneous agreements being merged herein and waived hereby, and no notification hereof or assent or consent of the Lessor, to any waiver of any part of this lease, in spirit or letter, shall be deemed as given or made unless the same be done in writing after the date hereof.

INSPECTION & ENTERING

28. Lessee agrees that said Lessor, its agents and other representatives, shall have the right, without abatement of rent, to enter into and upon such premises, or any part thereof, at all reasonable hours for the purpose of examining the same or making such repairs or alterations therein as may be necessary for the safety, preservation, betterment, or improvement thereof and for the Garage in general.

ADDITIONAL IMPROVEMENTS & ALTERATIONS

29. Lessee covenants that it will not make any improvements or alterations in or to the leased premises except as herein provided.

For Example:

1. Improvements to the function of the garage building such as new or additional ramps, striping and drive areas.
2. Improvements creating a Poydras Street entrance and ramp to the garage and improved pedestrian

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

access to the building.

3. Improvements to the facade and additional facilities to the roof, air right construction, etc., but in no event improvements that will diminish the number of car spaces without provision to replace on a one to one basis. All improvements to the garage will be at the sole expense of the Tenant.

4. Tenant will be allowed to alter structure to eliminate parking spaces and if so agrees to reimburse International Trade Mart by the following formula per space eliminated:

For each space eliminated, the sum of \$187.50 (One Hundred Eighty-Seven and 50/100 Dollars) per space per year will be paid over and above all guaranteed minimum or percentage rent. After the gross sales exceed \$300,000.00 (Three Hundred Thousand Dollars) per year as defined below, it is agreed that the \$187.50 (One Hundred Eighty-Seven and 50/100 Dollars) figure above will be increased to a new figure arrived at by dividing the percentage rent arrived at from the gross sales figure as defined below by one thousand, which is the number of car spaces in the garage.

For the purpose of this paragraph only, the gross sales will be computed by adding the actual gross sales collected in the garage plus an amount equal to the number of car spaces eliminated by the Tenant times \$300.00 (Three Hundred Dollars) per space.

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

Over the period of this lease in no event will more than 200 parking spaces be eliminated.

5. Tenant is granted the full unrestricted use of any and all air space over the present building as long as the use, or additional structure does not violate SECTION FOUR herein concerning the elimination of parking spaces.

All improvements made to the said premises by Lessee shall become the property of and belong to the owner of the land at the expiration of this Lease without any reimbursement being due to any party for such improvement or alteration.

SUBORDINATION

30. This Lease is subject and subordinate to all ground or underlying leases and mortgages which may now affect the real property of which the leased premises form a part, and to all renewals and extensions thereof.

OBLIGATIONS OF PARTIES

31. The failure of Lessor to insist, in any one or more instances upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment for the future of such covenant or

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

or option, but the same shall continue and remain in full force and effect. The receipt by Lessor of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Lessor of any provisions hereof shall be deemed to have been made unless expressed in writing and signed by Lessor.

TAKING POSSESSION

32. Lessor or Lessor's agents have made no representations or promises with respect to the said building or the leased premises except as herein expressly set forth. The taking possession of the leased premises by Lessee shall be conclusive evidence, as against Lessee, that the said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

FINANCIAL STABILITY

33. If, before the commencement of the term or at any time during the term of this Lease, Lessee violates any of the conditions of this Lease, including non-payment of rent when due, or if a petition shall be filed either by or against Lessee in any Court or pursuant to any statute, either of the United States or of any State of the District of Columbia, whether in bankruptcy, reorganization, or insolvency, for the appointment of a receiver for Lessee or of Lessee's property; or if Lessee be adjudicated a bankrupt or insolvent, or be placed in liquidation; or if Lessee shall make a general assignment; or if a receiver or trustee be appointed for Lessee or of Lessee's property, then Lessor shall have the right, if he so elects, to declare the happening of any of such events to constitute a breach of the provisions of this Lease, and, without any entry of other act by Lessor, to terminate this lease with the same force and effect as if the date of the happening of any of such events were the date hereby fixed for the expiration of the term of this Lease.

It is further stipulated and agreed that, in the event of the termination of the term of this Lease by the happening of any such event, Lessor shall forthwith, upon such termination, any other provisions of this Lease to the contrary notwithstanding, become

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

entitled as and for liquidation damages:

- a) To retain any installment of rent, security, deposit, or any moneys paid upon the execution hereof, and
- b) To recover the difference between the rent reserved hereunder for the unexpired portion of the term hereby demised, and the rental value of the demised premises for such unexpired portion of the term hereby demised, unless the statute which governs or shall govern the proceeding in which such damages are to be proved limits or shall limit the amount of such claim capable of being so proved, in which case Lessor shall be entitled to prove as and for liquidated damages an amount equal to that allowed by or under any such statute. The provisions of this paragraph of this Lease shall be without prejudice to Lessor's right to prove in full damages for rent accrued prior to the termination of this Lease but not paid. This provision of this Lease shall be without prejudice to any rights given to Lessor by any pertinent statute to prove for any amounts allowed thereby.
- c) To take over all improvements made to the premises by Lessee without reimbursement being due to Lessee for such improvements or alterations.

Definite

34. Notwithstanding anything contained hereinabove Lessor shall not invoke any default against Lessee unless he shall have given notice to Lessee by registered mail and by addressing the same to International Rivercenter, Tenth Floor Suite, St. Charles Avenue, New Orleans, Louisiana; and Lessee shall have 15 days from the date of receipt of said notice to cure the default claimed or commence the curing thereof and if said default cannot be physically cured within 15 days, Lessee shall so notify Lessor. In case of disagreement on the nature of the default, Lessor shall take no action of any kind to disturb the peaceful possession of the Tenant until arbitration has taken place in accordance with the provisions of PARAGRAPH TWENTY hereinabove.

PERFORMANCE

35. Lessor covenants and agrees that Lessee, by paying the rent herein reserved, and by performance of all covenants and agreements herein contained to be observed and performed by him, shall peaceably

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

and quietly hold and enjoy the leased premises for the term aforesaid. The term "Lessor" as used in this Lease means only as landlord for the time being of the leased premises, it being understood that in the event of any sale during the term of this Lease, the conveyance shall be made subject to this Lease, and it shall be deemed and construed that the covenants and obligations of Lessor under this Lease shall be assumed and carried out by the purchaser of the property and upon such conveyance shall be released hereunder.

IN WITNESS WHEREOF the parties hereto have executed this instrument as of the date first above written.

INTERNATIONAL TRADE MART

By: 

Its

"Landlord"

INTERNATIONAL RIVERCENTER

By: 

Its

"Tenant"

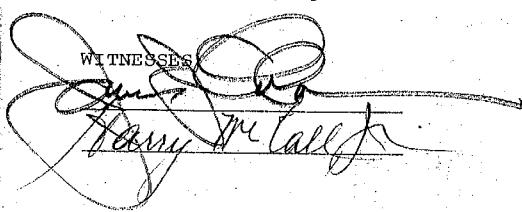
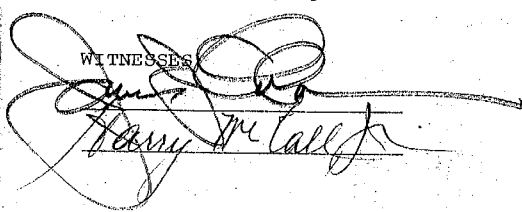
General Manager

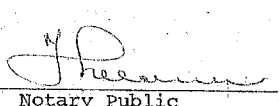
CROSS COUNTRY DEVELOPMENT CORP.

BY: 

Leasing Agent

WITNESSES


Notary Public

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

This Agreement, dated April 7, 1973, is made by and between
INTERNATIONAL TRADE MART AND INTERNATIONAL RIVERCENTER.

I

It is agreed and understood that the area bound by Girod Street on the South, Peters Street on the West, the Mississippi River on the East, and Poydras Street on the North shall be the criteria for the restricted zoning of parking described below.

II

It is agreed and understood that the tenant shall allow parking only as follows: Lessee shall have the right to park cars in this area for 75¢ per day, per car until the following dates: September 1, 1973 or until the Eads Plaza is officially closed whichever comes first. On the day of either date mentioned above Lessee agrees to charge \$1.00 per car, per day and this amount will always be equal to, but never less than the lowest published and quoted rates to any tenant of the International Trade Mart Building.

INTERNATIONAL RIVERCENTER

BY:

INTERNATIONAL TRADE MART

BBI, INC.

BY:

BY:

CROSS COUNTRY DEVELOPMENT CORP.

BY:

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

It is agreed and understood that the two following Exhibits are each a hypothetical case in order to clarify Paragraph 29, Example Number 4.

EXHIBIT I

\$263,000.00 Gross After Taxes

170 Eliminated Spaces
300.00
\$51,000.00

\$263,000.00 Gross After Taxes
\$ 51,000.00 Eliminated Spaces
\$314,000.00

60% - 225,000.00	\$135,000.00
70% - 75,000.00	52,500.00
80% - 14,000.00	<u>11,200.00</u>
	\$198,700.00 Divided by 1000 Spaces

\$ 198.70 Per Year
x 170 Eliminated Spaces
\$33,779.00

\$263,000.00 Gross After Taxes

60% 225,000.00 -	\$135,000.00	
70% 38,000.00 -	<u>26,600.00</u>	
	\$161,600.00	Rent For Garage
	<u>33,779.00</u>	For Eliminated Spaces from Above
	\$195,379.00	Total Rent for ITM for that Fiscal Year

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

EXHIBIT II

\$311,000.00 Gross After Taxes

111 Eliminated Spaces
300.00
\$33,300.00

\$311,000.00 Gross After Taxes
33,300.00 Eliminated Spaces
\$344,300.00 Gross Plus Parking

60% - 225,000.00	\$135,000.00
70% - 75,000.00	52,500.00
80% - 44,300.00	35,440.00
	<u>\$222,940.00</u> Percentage Rate

\$ 222.94 Per Year
111 Eliminated Spaces
\$24,746.34

60% 225,000.00 -	\$135,000.00	
70% 75,000.00 -	52,500.00	
80% 44,300.00 -	35,440.00	
	<u>\$222,940.00</u>	Rent For Garage
	24,746.34	For Eliminated Spaces from Above
	<u>\$247,686.34</u>	Total Rent for ITM for that
		Fiscal Year

BBI, INC.

INTERNATIONAL RIVERCENTER

BY: [Signature]

BY: [Signature]

CROSS COUNTRY DEVELOPMENT CORP.

INTERNATIONAL TRADE MART

BY: [Signature]

BY: [Signature]

Dated: April 7, 1973

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

STATE OF LOUISIANA

PARISH OF ORLEANS

CITY OF NEW ORLEANS

BE IT KNOWN, That on this 30th day of May in the year One Thousand Nine Hundred and SEVENTY-FOUR, BEFORE ME, RICHARD BLAISE JURISICH a NOTARY PUBLIC, duly commissioned and qualified, in and for the Parish of Orleans, State of Louisiana, and in the presence of the witnesses hereinafter named and undersigned,

PERSONALLY CAME AND APPEARED:

INTERNATIONAL RIVERCENTER, a Louisiana Partnership in Commendam, organized by Act under private signature dated September 25, 1973, recorded in MOB 1218J-2, Folio 242, herein represented by its duly undersigned General Partners; and

INTERNATIONAL TRADE MART, a non-profit Corporation, organized under the laws of the State of Louisiana, having its domicile in the International Trade Mart Building, New Orleans, Louisiana, No. 2 Canal Street, New Orleans, Louisiana, hereinafter represented by its duly authorized and undersigned officer.

WHICH SAID PARTIES DECLARED AS FOLLOWS:

By Act before B. Lloyd Magruder dated August 8, 1972, International Rivercenter granted a servitude in favor of International Trade Mart, Inc., which said servitude has been registered in Conveyance Office for the Parish of Orleans, State of Louisiana, in COB 711, folio 436;

International Rivercenter, the Grantor of said servitude has, since August 8, 1972:

(a) On September 25, 1972 amended its Articles of Partnership to change its name from International Rivercenter to New Orleans Rivercenter; which Amendment is recorded in MOB 1218, Book J-2; and

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

(b) By "Conveyance of Corporate Property" by act before Louis J. Dutrey, Notary Public, dated September 25, 1973, and registered in COB 723A, Folio 208-09, Parish of Orleans, State of Louisiana, on September 27, 1973, transferred the property over which the aforementioned servitude was granted from New Orleans Rivercenter to International Rivercenter, appearer herein.

Now, by mutual consent, the servitude granted by act before B. Lloyd Magruder on August 8, 1972, registered in Conveyance Office Book 711, Folio 436, is hereby cancelled and terminated, and in consideration therefor, International Rivercenter, present owner of the property adjacent to that square of ground known as Square 14-X hereby declares that it does hereby grant, confirm, transfer, establish and deliver in favor of International Trade Mart, a servitude for the purposes of egress and ingress to the presently existing structures on Square 14-X, said servitude being designated by the shaded portion on the Plan of Survey by Gandolfo, Kuhn and Associates, dated May 9, 1974, showing proposed servitude, a copy of which is annexed hereto and made a part hereof by reference; and according thereto is more fully described as follows:

TWO (2) certain strips, approximately 20 feet in width, situated within Parcels IRC-2 and 3 and NORC-7 of International Rivercenter, First District being adjacent to Parcel 14-X (ITM Garage Building) and said strips are more particularly described in accord with plan by Gandolfo, Kuhn & Associates, dated May 9, 1974 (Drawing No. H-150-2), a print of which is attached hereto and made a part hereof, as follows:

1. Begin at the point designated by letters WW, which point is on the south line of Poydras St., lying at a distance of 20.82 feet, S 76°-14' E from point K, which is the intersection of said south line of Poydras St. and east line of Parcel 14-X (ITM Garage Building site); thence from point WW, N 76°-14' W, along said line of Poydras St., 18.48 feet to a point; thence S 2°-19'-43" E, 2.35 feet to a point; thence at right angles, S 87°-40'-17" W, 2.25 feet to the west line of servitude and IRC-3 and east line of Parcel 14-X; thence along said line S 2°-24'-05" E, 356.05 feet to a point; thence N 71°-15'-15" E, 20.38 feet to point JJ; thence along east line of servitude, N 2°-19'-43" W, 347.52 feet to point WW and point of beginning. Contain-

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

ing an area of 6981.9 square feet.

2. Begin at point G on the south line of Poydras St. at its intersection with the west line of Parcel 14-X (ITM Garage Building site); thence along said line of Poydras St., N 76° - 14' W, 20.28 feet to point LL; thence along west line of servitude, S 2°-19'-43" E, 394.91 feet to point HH; thence S 75°-59'-08" E, along south line of servitude 83.52 feet to a point; thence N 71° -15'-15" E, 36.96 feet to a point on the south line of Parcel 14-X; thence along said line N 75°-59'-08" W, 99.66 feet to point H; thence along the west line of Parcel 14-X and east line of servitude, N 2°-24'-05" W, 374.30 feet to point G and the point of beginning. Containing an area of 9419.5 square feet.

These servitudes extend vertically from existing ground floor elevation of garage (Elev. 33.33 C.D.) upward 20 feet above said ground floor.

This Amendment to Servitude is made with the consent of both of the parties hereto, and is pursuant to that certain Act of Exchange and Agreement between the City of New Orleans and International Rivercenter before B. Lloyd Magruder, Notary Public, dated July 19, 1972.

International Trade Mart does hereby accept the foregoing servitude.

AND, NOW, International Trade Mart, as Lessor of Lot 14-X, by these presents, hereby grants, confirms, transfers, establishes and delivers in favor of International Rivercenter, the Right of Servitude for the purpose of egress and ingress over Lot 14-X and those using the adjacent property owned by International Rivercenter, including the right in Rivercenter to erect improvements over the said servitude, provided that the improvements are at least twenty feet above ground level, as follows:

A certain triangular portion at the southeast corner of Parcel 14-X (ITM Garage Building site) which Parcel 14-X is bounded by Poydras St. and former Delta, Water and Lafayette Streets, said portion designated as 1143 square feet triangular servitude and is more particularly described in accord with plan by Gandolfo, Kuhn & Associates, dated May 9, 1974, (Drawing No. H-150-2), a print of which is attached hereto and made a part hereof, as follows:

4. ORIGINAL WTC GARAGE LEASE - CONFIDENTIAL

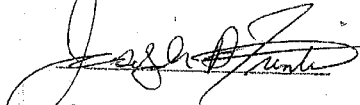
Begin at point "J", which is the southeast corner of Parcel 14-X (ITM Garage Building site); thence along the east line of Parcel 14-X and west line of IRC-3, N 29°-24'-05" W, 36.66 feet to the south end of existing garage structure; thence along the line of said garage building, S 71°-15'-15" W, 64.99 feet to the south line of Parcel 14-X; thence along said line S 75°-59'-08"E, 65.01 feet to point "J" and point of beginning. Containing an area of 1143 square feet.

Said servitude extends vertically from lower limit of proposed entrance drive upward 20 feet.


The parties hereto waive the production of all mortgage, conveyance and other certificates required by law, and relieve and release me, Notary, and my surety from any and all responsibility or liability in connection therewith.

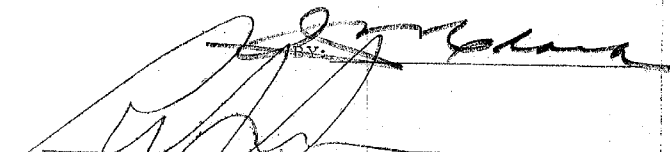
THUS DONE AND SIGNED in my office at New Orleans, Louisiana, on the day, month and year herein first above written, in the presence of the undersigned competent witnesses, who hereunto sign their names with the said appearers and me, Notary, after reading of the whole.

WITNESSES:


Goldie H. Moon

INTERNATIONAL RIVERCENTER

BY: 
INTERNATIONAL TRADE MART


RICHARD BLAISE JURISICH
NOTARY PUBLIC

5. SKY WHEEL SPEC SHEETS

R60 Giant Wheel

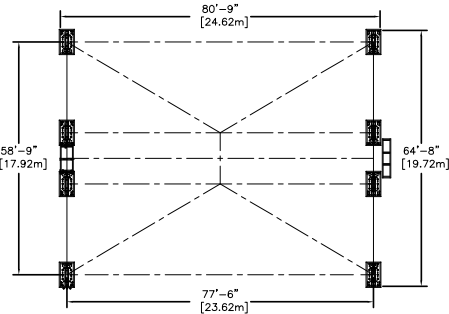
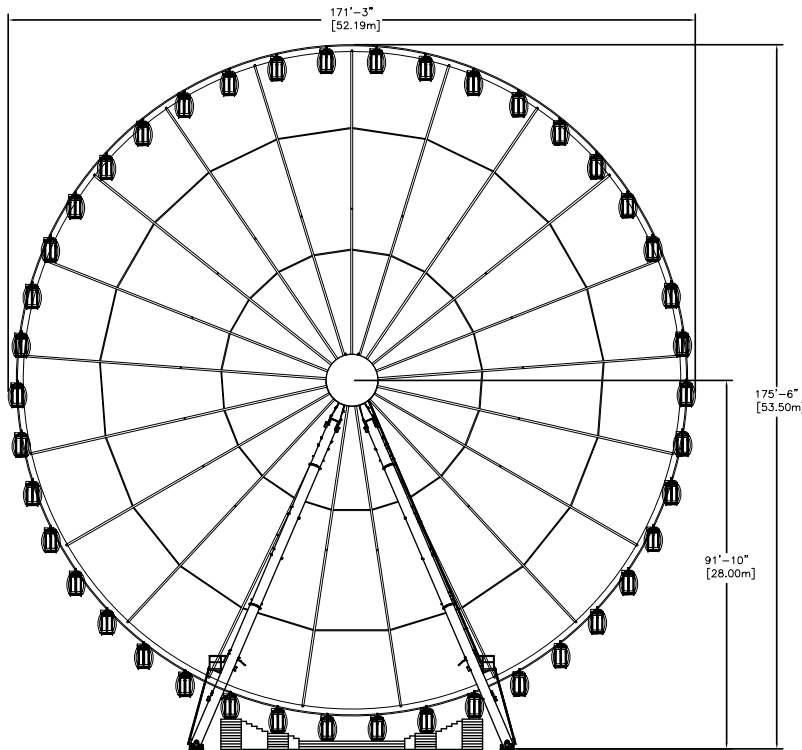


The awe-inspiring R60 Giant Wheel is sure to delight those of all ages. This 175-foot wonder gives passengers a panoramic view of their surroundings. The 42 fully-enclosed, temperature controlled gondolas comfortably seat 8 passengers each.



316.945.6555
sales@chancerides.com
chancerides.com

5. SKY WHEEL SPEC SHEETS



FEATURES

STANDARD FEATURES

- 42 heated and air-conditioned CWA gondolas
- Wireless communication and SOS system for gondolas
- Wireless monitoring of door locking system
- Automated control system with TFT touch screen and WLAN access
- LED lighting
- 252 passenger capacity

OPTIONAL FEATURES

- VIP gondola
- Register/Cash Booths

SPECIFICATIONS

SEATING

Number of gondolas	42
Maximum number of passengers per gondola.....	8
Maximum passenger weight per gondola.....	1360 lbs. (617 kg)
Maximum total number of passengers	336
Maximum total passenger weight	57,120 lbs. (26,208 kg)
Loading	6 gondolas simultaneously

PERFORMANCE

Direction of rotation	clockwise/counterclockwise
Ride speed	1.5 rpm
Ride duration	variable
Maximum wind speed (operating)	45 mph
Maximum wind speed (static w/gondolas)	80 mph

MAXIMUM RIDE WEIGHT

Empty	280,300 lbs. (127,142 kg)
-------------	---------------------------

POWER REQUIREMENTS*

Total	500 kW
Min./Max. voltage	480 volt, 3 phase, 60 Hz

DRIVE*

Type	variable speed electric
Motor Type	480 volt, 3 phase, 60 Hz
Number of motors	4
Horsepower rating	200

LIGHTING*

Type	LED
------------	-----

* All rides can be electrically wired to operate on other specified voltage. Specifications are effective as of publication date. Because we try to improve every Chance Morgan product, these specifications are subject to change without notice. Dimensions given are approximate. For actual dimensions and installation specifications, please refer to Chance Rides foundation drawings. This ride conforms to all applicable ASTM amusement ride standards in effect on the date of manufacture.

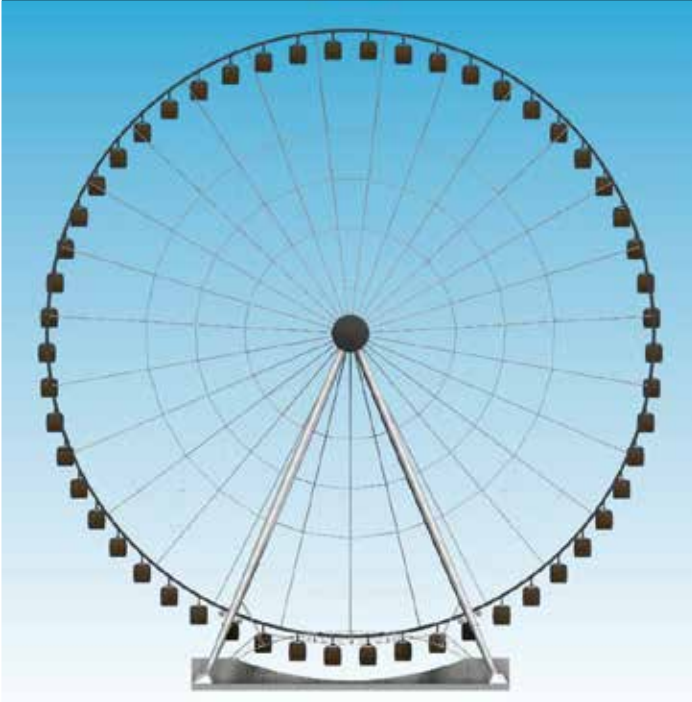


PO Box 9046 • Wichita, KS 67277 • TEL 316.945.6555 • FAX 316.942.7416 • EMAIL sales@chancerides.com • WEB chancerides.com

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5. SKY WHEEL SPEC SHEETS

R80 II XL Giant Wheel



The awe-inspiring R80 II XL Giant Wheel is the largest wheel since George Washington Ferris built the first wheel in 1893 for the Chicago World's Fair. The R80 II XL Giant Wheel is designed by Ronald Bussink AG and manufactured under license by Chance American Wheels.

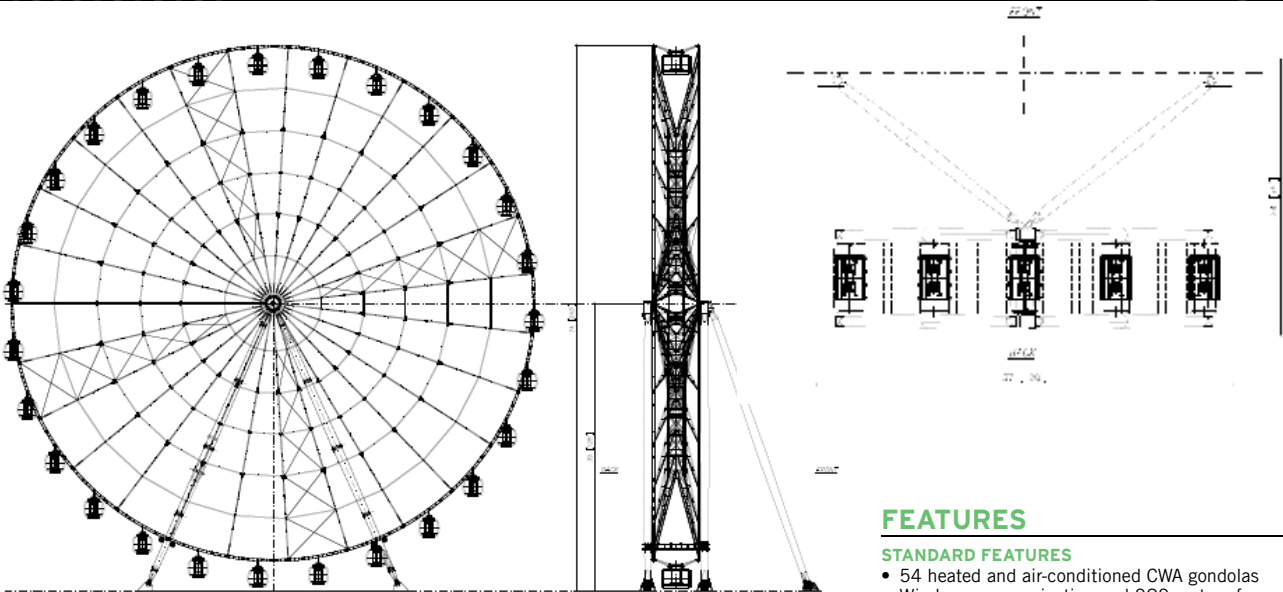


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5. SKY WHEEL SPEC SHEETS

R80 II XL Giant Wheel





FEATURES

- STANDARD FEATURES**
- 54 heated and air-conditioned CWA gondolas
 - Wireless communication and SOS system for gondolas
 - Sound system with MP3 players
 - LED lighting
 - 432 passenger capacity
 - 250 ft tall (74 meters)
 - Wheel diameter: 230 ft (70 meters)
 - Theoretic hourly capacity 1296 passengers
- OPTIONAL FEATURES**
- VIP gondola

SPECIFICATIONS

SEATING

Number of gondolas	54
Maximum number of passengers per gondola.....	8
Maximum passenger weight per gondola.....	1360 lbs. (617 kg)
Maximum total number of passengers	432
Maximum total passenger weight	73,440lbs. (33,318 kg)

PERFORMANCE

Loading	Continuous loading cycle with 3 revs/hour
Direction of rotation.....	clockwise/counterclockwise
Ride speed
Ride duration	variable
Maximum wind speed (operating)	mph
Maximum wind speed (static w/gondolas)	mph

MAXIMUM RIDE WEIGHT

Empty
-------------	-------

POWER REQUIREMENTS*

Total.....
Min./Max. voltage

DRIVE*

Type	variable speed electric
Motor Type.....
Number of motors
Horsepower rating

LIGHTING*

Type.....	LED
-----------	-----

* All rides can be electrically wired to operate on other specified voltage.

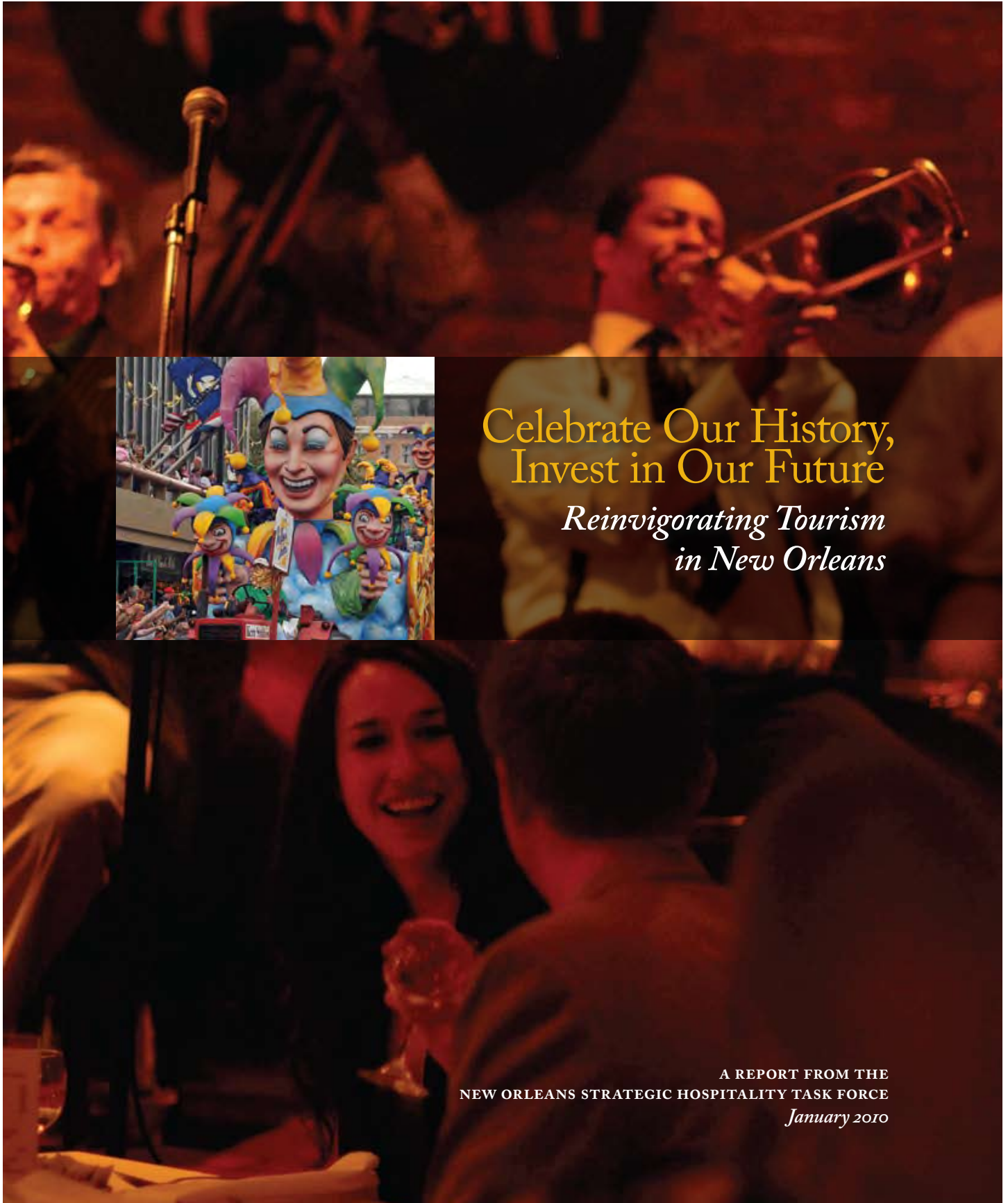
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6. TOURISM MASTER PLAN REPORT



Celebrate Our History,
Invest in Our Future

*Reinvigorating Tourism
in New Orleans*

A REPORT FROM THE
NEW ORLEANS STRATEGIC HOSPITALITY TASK FORCE
January 2010

6. TOURISM MASTER PLAN REPORT



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Tourism: It's Our Future

New Orleans' hospitality industry is one of the city's largest employers and a primary economic driver.

In 2008, New Orleans attracted approximately 7.6 million visitors who spent about \$5.1 billion, generated more than \$350 million in tax revenue for New Orleans and Louisiana, and kept about 92,000 people employed.*

But New Orleans is not maximizing the opportunities tourism offers — opportunities for job creation, tax generation, and cultural renewal. New Orleans' 7.6 million visitors in 2008 are 2.2 million visitors fewer than the city would have had if it matched U.S. travel trends since 2000. That 2.2 million visitor gap represents \$1.5 billion in direct spending and \$100 million in tax impact — money and attendant jobs that New Orleans is leaving on the table.

OVERCOMING THE CHALLENGES OF POST-KATRINA TOURISM

Tourism includes both leisure and non-leisure (business, meetings, and conventions) travel, and New Orleans' hospitality industry worked to recapture both markets after Katrina. The city made a dramatic recovery, hosting 400,000 people for Mardi Gras only

six months after the disaster, as well as rebuilding the Superdome and reopening 97 percent of its restaurants within a year.

But the city's tourism industry never fully rebounded. While the U.S. leisure tourism industry is growing, leisure travel to New Orleans fails to keep pace with this national trend. Images of Katrina remain fresh in the minds of potential visitors, and the current marketing budget is insufficient to overcome them. In addition, airline access falls short of the need, key assets have been neglected, and crime remains a significant concern.

Yet New Orleans offers visitors a travel experience that can't be found anywhere else. And we have great opportunities to showcase our city: The 5th anniversary of Katrina and 300th anniversary of New Orleans are on the horizon, and we are hosting major national events, including the NCAA Final Four in 2012 and the Super Bowl in 2013.

Now is the time to overcome the challenges, capitalize on the city's unique benefits, and present New Orleans anew. Now is the time to invest in the future.



photos: Jay Corbin

**92,000 represents total employment; direct employment is 68,000.*

Note: All figures in this report reflect 2009 dollars.

6. TOURISM MASTER PLAN REPORT



photo: Pat Gamm



photo: Jay Combe



photo: Jay Combe

The Master Plan: 13.7 Million Annual Visitors by 2018

New Orleans faces a choice: Drive dramatic economic growth and job creation by reinvigorating the city’s tourism economy or accept the consequences of a further decline in tourism, including stagnation and weak economic development across all sectors.

New Orleans’ response to this challenge will not only affect our city — it will have a dramatic impact on our state. For hundreds of years, New Orleans has been the gateway to Louisiana. New Orleans plays a major role in Louisiana’s image, and it is a significant factor in potential visitors’ decision to visit. This city draws tourists, conventions, and

businesses, all of which bring economic benefits to residents throughout the state. An investment in New Orleans’ tourism industry is an investment in the whole state, so any comprehensive strategy for travel and tourism in Louisiana must include a plan specific to New Orleans.

To help New Orleans identify strategic opportunities and determine what it will take to be a pre-eminent tourism destination — and create thousands of jobs and produce millions in new tax revenues — the Strategic Hospitality Task Force crafted a master plan to reinvigorate the city’s tourism industry. It sets a goal of 13.7 million annual visitors to New Orleans by 2018, the city’s 300-year anniversary. This goal is ambitious — about 6 million more visitors a year than there were in 2008 — but it also is attainable if New Orleans acts decisively.

Meeting the target would provide unqualified proof that New Orleans has returned as a premier tourist

If New Orleans meets the master plan goals, the cumulative economic benefits through 2018 will be dramatic:

- \$11 billion in direct spending
- 33,000 additional jobs with an average salary of \$33,300 a year
- \$700 million in tax revenue



photo: Pat Gamm

6. TOURISM MASTER PLAN REPORT

destination and would position the city to emerge as a Top 10 U.S. Leisure and Convention Destination in the future.

Most important, investing in this master plan will pay dividends that will benefit the metropolitan New Orleans area for years to come. If New Orleans implements the master plan and meets its goals, the cumulative economic gains leading up to 2018 will be dramatic: \$11 billion in direct spending, 33,000* additional jobs with an average salary of \$33,300 a year, and \$700 million in tax revenue. In addition, these benefits multiply with increased indirect and induced spending.

TURNING THE PAGE

Tourism's survival will require an investment. But doing nothing also costs money. If New Orleans does not act to reinvigorate its tourism industry, the number of New Orleans' visitors could decline. For example, a 2 percent per year

To create jobs and generate economic development, Lt. Governor Mitch Landrieu called for the creation of a master plan to guide the resurgence of the New Orleans tourism industry. To lead this effort, the Lt. Governor created the New Orleans Strategic Hospitality Task Force, composed of experts from the private sector. The Task Force places emphasis on public-private partnerships, decision-making based on extensive research and facts, and a ground-up approach to planning that puts a premium on the input of employees and local leaders. The Task Force conducted a national search and retained The Boston Consulting Group in July 2009. Its efforts included interviews and town-hall meetings with individuals who have a stake in New Orleans tourism; consumer research, including two surveys that assessed perceptions of more than 6,000 potential New Orleans visitors; rigorous and extensive analysis of tourism trends; and external benchmarking of peer cities and attractions, both in the United States and abroad.

decline would result in a cumulative loss of \$300 million in tax revenue through 2018. This loss would be compounded by the attendant factors of lost jobs, reduced direct spending in the neighborhood of \$4 billion, and reduced indirect spending.

**33,000 represents total employment; direct employment would be 25,000.*



photo: Jeff Anding

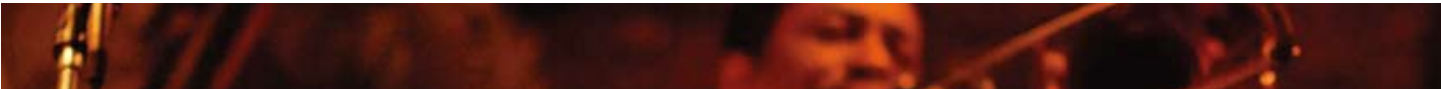


photo: Jeff Anding



photo: Pat Guerin

6. TOURISM MASTER PLAN REPORT

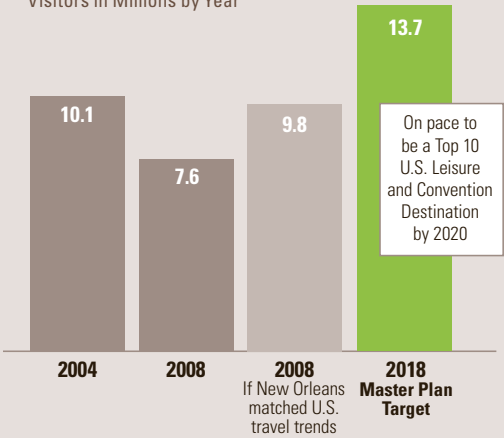


photos: Jay Combe

New Orleans tourism remains below pre-Katrina levels

Boosting tourism requires focused effort

Visitors in Millions by Year



New Orleans has a legacy of taking — and benefiting from — bold action to move the city forward. In the 1970s, New Orleans built the largest fixed-dome structure in the world and established itself as a sporting destination. In the 1980s and early 1990s, the city built the New Orleans Ernest N. Morial Convention Center and established cultural attractions to secure its position as a premier convention city.

With a focused, coordinated effort, New Orleans can take new bold actions today that can positively impact the city. The city can use the 5th anniversary of Katrina in August 2010 — along with the 2013 Super Bowl and other major national events — to highlight New Orleans as a great American tourist destination and to start building momentum toward the city’s 300th anniversary in 2018.



photo: Jay Combe

Research Findings: We Must Act to Capitalize on Opportunity

NEW ORLEANS HAS SIGNIFICANT LOSSES IN LEISURE TRAVEL

In the past, New Orleans has relied heavily on non-leisure travel (business, conventions, and meetings) to sustain tourism. But non-leisure travel is only a small portion of U.S. travel — and it is declining both nationally and in New Orleans.

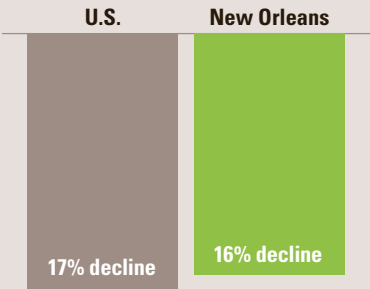
Leisure travel accounts for 75 percent of visitors and 65 percent of travel dollars nationally. And while U.S. leisure travel increased 15 percent in the past eight years, leisure travel to New Orleans decreased 7 percent in the same time period. New Orleans tourism cannot meet its potential unless the city dedicates itself to attracting more leisure travelers.



Business trips and conventions can't compensate for lost leisure travel

Non-leisure travel declines for United States and New Orleans

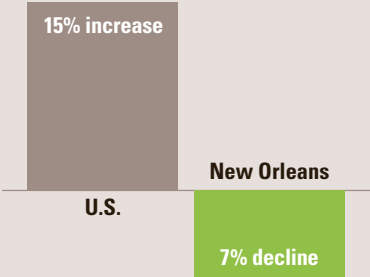
Change from 2000 to 2008



Note: Non-leisure travel includes business trips, conventions, and meetings.

Leisure travel increases for United States, declines for New Orleans

Change from 2000 to 2008



Note: Travel is measured in unique trips per year.



photos: Jay Combs

6. TOURISM MASTER PLAN REPORT



photos: Jay Corbin

CURRENT PERCEPTIONS INDICATE GREAT OPPORTUNITY ...

Surveys and interviews with industry leaders and potential visitors indicate that New Orleans has significant strengths that can drive a return to high levels of tourism.

- **New Orleans means fun for adults.** New Orleans inspires a sense of self-permission and indulgence around food, drink, and music. Visitors are unlikely to come with children: 85 percent of New Orleans' leisure visitors traveled without their children, the highest child-free travel rate of any U.S. city, including Las Vegas.
- **New Orleans is authentic,** an attribute that is highly valued. The city is consistently described as *unique, quirky,* and *associated with Southern charm.*
- **The French Quarter is the city's crown jewel.** The French Quarter is New Orleans' most visited attraction, and it appeals to people across all demographics. It is the center of New Orleans' Hospitality Zone, which extends from the French Quarter and

Canal Street to the Riverfront, central business district, Superdome, and adjacent historic neighborhoods.

- **New Orleans is a top U.S. food destination.** This designation held across all age groups, although competing cities were close behind in the coveted 18–34 age demographic. New Orleans can capitalize on the city's strong cuisine tradition by emphasizing food in its branding and creating more food-based events.
- **New Orleans is the destination for live music.** New Orleans' recognition as a center of jazz adds to its allure and presents opportunities to expand music venues, genres, and festivals. Three-quarters of young travelers (75 percent) would consider traveling to a city such as New Orleans to see live music.
- **The Riverfront has tremendous potential.** Investing wisely in the Riverfront could position New Orleans' Riverfront to rival Chicago's Millennium Park, San Antonio's River Walk, and Baltimore's Inner Harbor.



photo: Jeff Anding

6. TOURISM MASTER PLAN REPORT

... BUT NEW ORLEANS ALSO MUST OVERCOME CHALLENGES TO DRAW NEW VISITORS

- **New Orleans' visitors are older than the average.** Among peer cities, such as Chicago, Las Vegas, and Miami, 32 percent of visitors, on average, are between 18 and 34 years old. Only 23 percent of New Orleans' visitors are in that age group. Conversely, 26 percent of New Orleans' visitors are 50 to 65 years old, as compared with 21 percent of visitors in these peer cities.
- **Without action, New Orleans will lose more of the younger market.** Two-thirds of New Orleans' projected visitors over the next nine years will be 35 years old and older. Additionally, 18- to 34-year-olds report that they are three times more likely to visit Las Vegas and two times more likely to visit New York than New Orleans in the next three years.
- **New Orleans has few repeat visitors.** Only 16 percent of visitors have come to New Orleans more than once (versus 26 percent for Las Vegas). Overall, younger travelers (18- to 34-year-olds) are more likely to make repeat visits to cities than are older travelers (55- to 64-year-olds), which magnifies the disadvantage of having disproportionately older visitors.
- **Crime and Katrina are barriers to success.** Media images of crime and Katrina devastation continue to bolster poor perceptions nationally. Potential visitors cite crime as their greatest concern about New Orleans. They cite safety twice as often as the next greatest barrier to visiting.
- **The French Quarter needs attention.** Fixing the basics — safety, cleanliness, and public infrastructure — is critical. The French Quarter is the heart of the Hospitality Zone, but code enforcement has been lax, and resources for maintenance and preservation have been inadequate.
- **Canal Street, an entrance to the Hospitality Zone, is struggling.** The image of flooded, destroyed Canal Street became a symbol of post-Katrina New Orleans. This iconic element of New Orleans must be restored, both in reality — with restaurants, shops, and performance venues — and in the minds of visitors.



photos: Jay Corbett



6. TOURISM MASTER PLAN REPORT



photos: Jay Combe

- **Current marketing spending is insufficient.** New Orleans currently spends \$7 million per year on marketing and advertising.* This is on par with some peer cities, such as Washington, D.C., but Las Vegas and Orlando spend 10 to 20 times more while also benefiting from significant additional marketing by theme parks, casinos, and other corporations.
- **Industry coordination is critical.** New Orleans' current marketing is fragmented because the city's multiple hospitality organizations do not have a unified message. The hospitality industry needs streamlined governance to support a shared vision and actively drive a coordinated strategy.

- **Airline access is problematic.** There were not enough direct flight options before Katrina, and there are 25 percent to 30 percent fewer now. New Orleans' visitors are inclined to come just for the weekend, and nearly half of visitors (44 percent) insist on a direct flight for a weekend trip.
- **The cruise industry lags.** In 2005, New Orleans held nearly 4 percent of total U.S. embarkations and was the nation's 10th-largest cruise port. In 2008, New Orleans retained only 2 percent of the market and had dropped to 12th place.

**The total 2008 marketing budget was \$12 million: \$7 million for marketing and advertising plus one-time Community Development Block Grant funds.*



photo: Pat Ginn

Key Goals: More Younger Visitors; Brand as *Authentic and Fun*

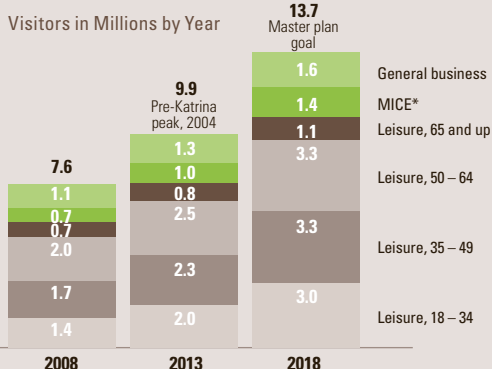
To achieve the master plan goal of 13.7 million annual visitors by 2018, New Orleans will have to see significant growth in all segments of the travel industry, with the greatest growth needed in 18- to 34-year-old leisure visitors traveling without children. As Las Vegas demonstrates definitively, a city can be a major destination by targeting adults traveling without children.

At the same time, New Orleans must continue to build on the city's strong foundation for conventions, sporting and special events, festivals, and cultural attractions. The city must protect and preserve its older market (35-year-olds and older), and non-leisure travel – both general business trips and meetings, incentives, conventions, and exhibitions (MICE*) – must experience steady growth.

New Orleans' brand should feature its strongest assets: a destination that blends fun for adults and authentic Southern charm. These qualities already are associated with New Orleans, and they are valued highly by leisure travelers. Nearly half of potential visitors surveyed (48 percent) said they would like to visit cities that offer *fun for adults* and *Southern charm*. Other key attributes include *indulgent*, *authentic*, *bold*, and *charismatic*.

New Orleans tourism targets

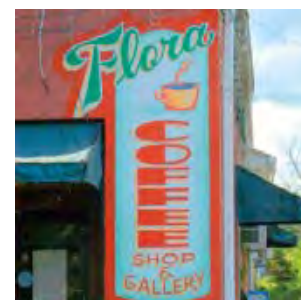
Goal for number of visitors



Growth needed to attain goal

	Compound annual growth rate	Year projected to return to pre-Katrina level
General business	3.8%	2011
MICE*	7.2%	2017
Leisure, 65 and up	4.6%	2018
Leisure, 50 – 64	5.1%	2012
Leisure, 35 – 49	6.9%	2014
Leisure, 18 – 34	7.9%	2013

*Meetings, incentives, conventions, and exhibitions



photos: Jeff Anding

6. TOURISM MASTER PLAN REPORT



photos: Pat Gamm

Priorities and Initiatives:
A Focused, Coordinated Effort

Reaching the 2018 target will require a focused, coordinated effort that engages many individuals and organizations throughout New Orleans. In addition to preserving and enhancing

existing assets, such as the Louisiana Superdome complex, Morial Convention Center, and numerous cultural and family attractions, New Orleans must adopt new ideas and approaches.

A vision of New Orleans

The Strategic Hospitality Task Force aspires to have these words associated with New Orleans.



6. TOURISM MASTER PLAN REPORT

The Strategic Hospitality Task Force has identified five priorities for moving forward, as well as specific initiatives to advance each priority.

Priority A

Establish clear governance and sufficient funding for the hospitality industry

- **Initiative 1: Industry governance.** Merge the New Orleans Convention & Visitors Bureau and the New Orleans Tourism Marketing Corporation to create one governing body with a unified direction. Action already is under way, and the new governing body should be in place by March 2010.
- **Initiative 2: Funding.** Increase funding to the hospitality industry to ensure adequate resources to protect the city's core assets, effectively market the city nationally, and drive transformation where it is needed. This is expected to cost approximately \$405 million, of which an estimated \$330 million is for capital investment and \$45 million is for rebranding.

Priority B

Aggressively focus on the basics to revitalize core assets and address weaknesses

- **Initiative 3: Crime.** Launch a crime prevention campaign in the Hospitality Zone while supporting existing citywide crime prevention plans to make the city safe for residents and tourists.

- **Initiative 4: French Quarter.** Reinvigorate and revitalize the city's crown jewel, including its commercial and residential areas. Efforts should include preserving the historic architecture while repairing and maintaining sidewalks and other infrastructure, sustaining the increased level of cleaning recently implemented, adding lighting and patrols to make all areas safe, and ensuring that zoning laws are enforced.

- **Initiative 5: Airline access.** Develop a strategic approach to advocate for new routes and direct flights. Focus on cities close enough for weekend travel, large population centers, major hubs, and key states. Also enhance the arrival experience for visitors when they land, and improve taxi service.

Priority C

Strengthen external positioning

- **Initiative 6: Branding and positioning.** Clearly position New Orleans as a unique, authentic city that blends fun for adults (through music, food, and festivals) with Southern charm in a walkable city. Protect the core (older visitors) while promoting New Orleans to visitors younger than 35.
- **Initiative 7: Marketing strategy and investment.** Increase and target New Orleans' marketing investment to generate demand among strategic market segments in target cities. Launch a significant branding campaign to supplant lingering Katrina images, and provide for ongoing support.

Priority D

Build, engage, and support a world-class workforce and community

- **Initiative 8: Provide opportunities and support.** Continuously engage the hospitality workforce, and build capabilities by providing training and other resources for employees to succeed and advance. Rally the workforce and the community as ambassadors of New Orleans.

Priority E

Drive long-term transformation

- **Initiative 9: Riverfront.** Accelerate development of the Riverfront, building it into a world-class, high-profile destination that provides new assets in the city's tourism industry.
- **Initiative 10: Cruises and tours.** Develop New Orleans' position as a regional cruise departure port. Enhance partnerships and marketing with tour operators and/or sister cities.
- **Initiative 11: Canal Street.** Support and enhance Downtown Development District efforts to restore Canal Street to its former glory as a renowned boulevard — and an entry point to the city's other assets, including the French Quarter, Riverfront, hotels, and central business district.
- **Initiative 12: Food, music, and festivals.** Expand the reach of New Orleans' culinary and music attractions with more events and venues, and leverage the city's culinary and music images as a unique marketing asset.

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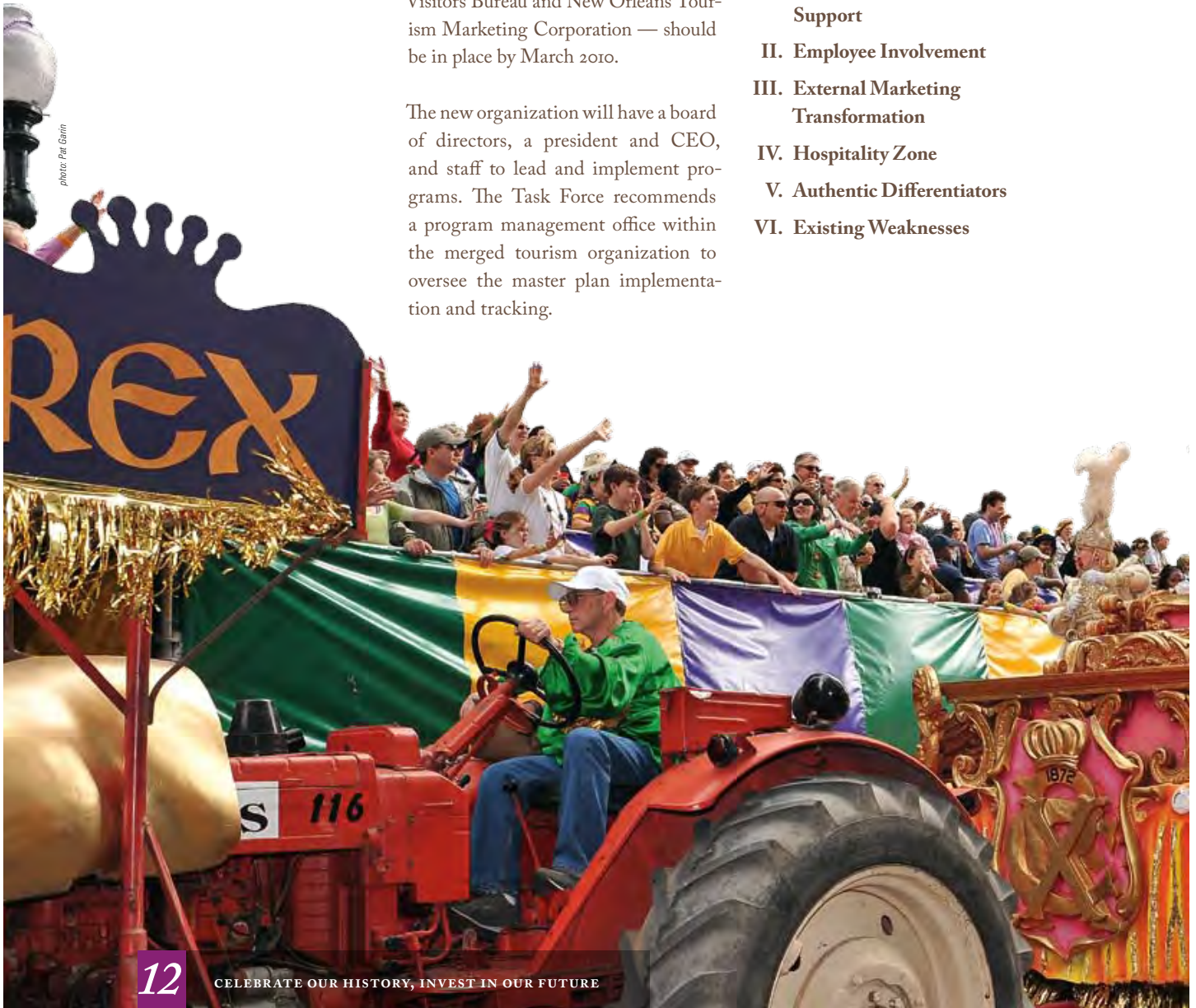
Getting Things Done

Successfully implementing the master plan and driving industry growth depend on having a single governing body with a unified direction. A new governing body — the result of a merger between the Convention & Visitors Bureau and New Orleans Tourism Marketing Corporation — should be in place by March 2010.

The new organization will have a board of directors, a president and CEO, and staff to lead and implement programs. The Task Force recommends a program management office within the merged tourism organization to oversee the master plan implementation and tracking.

In addition, the master plan calls for six volunteer committees, called Working Teams, to ensure ongoing program management and stakeholder engagement. The Working Teams are:

- I. Governance & Funding Support
- II. Employee Involvement
- III. External Marketing Transformation
- IV. Hospitality Zone
- V. Authentic Differentiators
- VI. Existing Weaknesses



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Each team will be guided by a volunteer local leader and will provide support to advance the master plan's 12 initiatives. For example, Working Team III will address external marketing, and Working Team IV will focus on the Riverfront and French Quarter.

BOOSTING TOURISM WITH STRATEGIC MARKETING

External marketing is central to rebuilding New Orleans tourism. Key elements of the marketing plan include:

- Ensuring that consumers know New Orleans is open for business — and that when consumers think of New Orleans, they think *fun for adults* and *authentic Southern charm* rather than Katrina devastation.
- Increasing the number of 18- to 34-year-old visitors while preserving and slightly increasing the base of older visitors.
- Becoming a top-five U.S. cruise home port.
- Entering the top 5 to 10 key U.S. destination cities for international travelers, particularly those from Canada, the United Kingdom, Germany, and France.
- Instituting a rigorous tracking system to monitor results of the new branding effort.

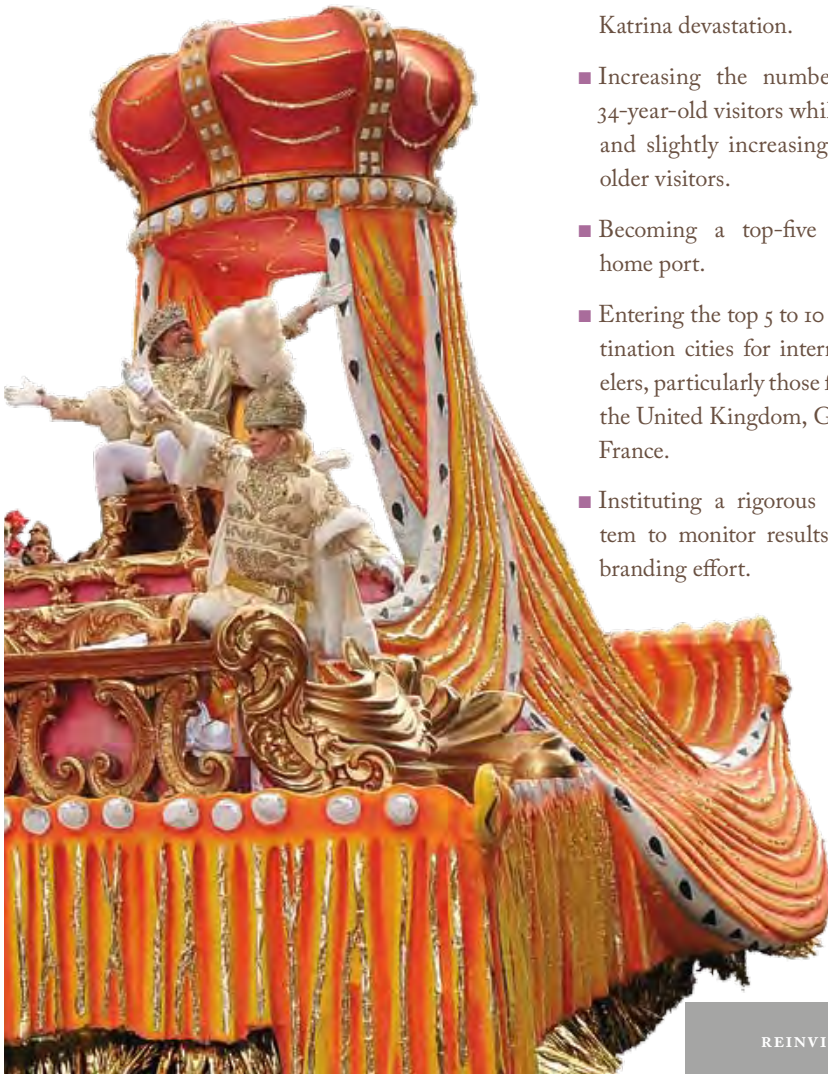


photo: Jeff Pounds



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THE ICONIC
TRANSFORMATION:
THE RIVERFRONT

A world-class Riverfront asset can be the front porch of the Hospitality Zone, sought out by visitors and actively used by residents.

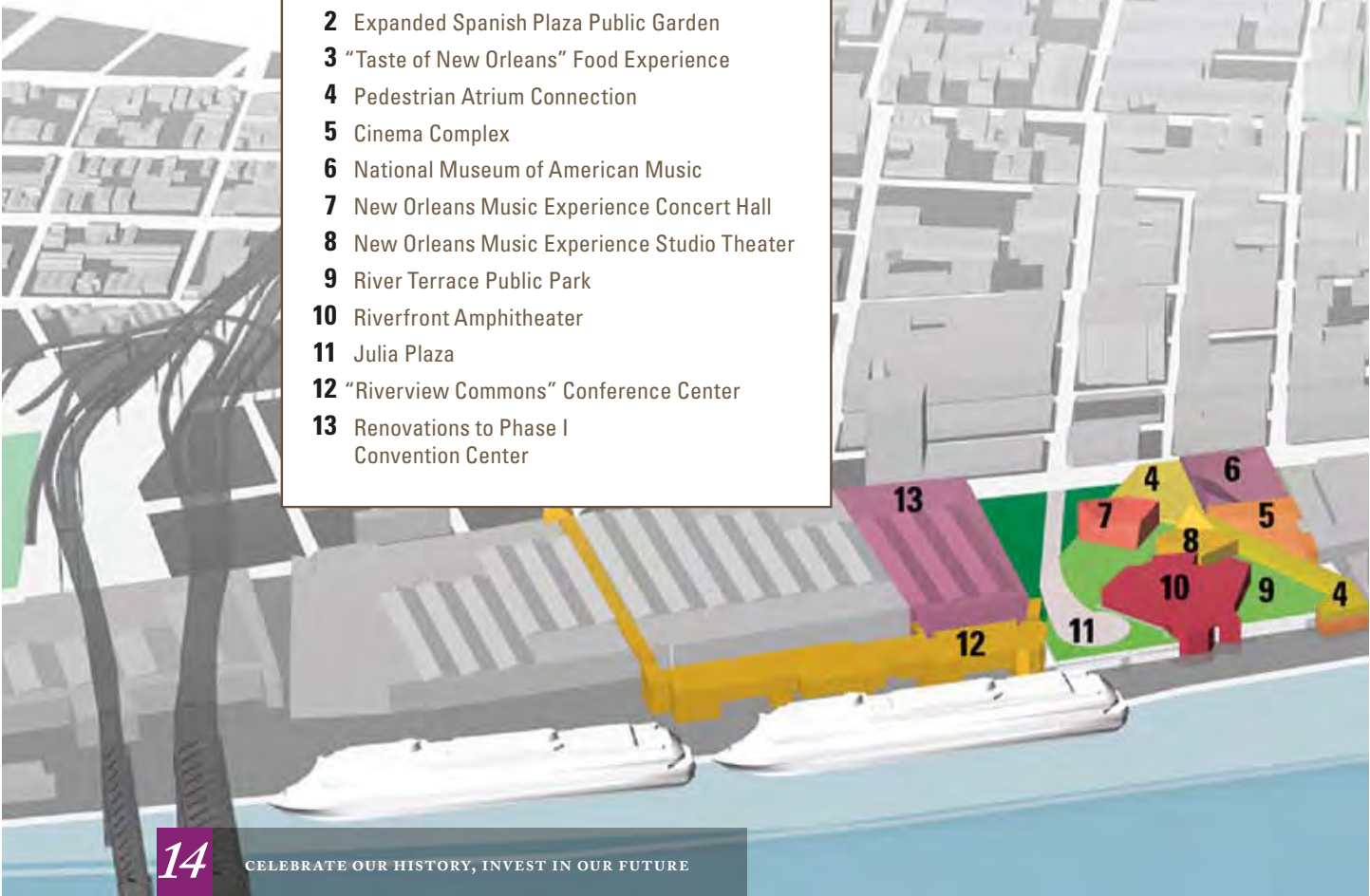
The current Riverfront is highly visited, but it is neither developed nor a recognizable asset that draws people to New Orleans. Consumer research indicates that Riverfront development would be well received, attracting new visitors and helping to retain existing core visitors.

This sample concept for the Riverfront includes sites that capitalize on New Orleans’ best-known offerings — food, drink, and music — as well as facilities for both leisure and meeting/convention travelers.

HOSPITALITY STRATEGIC PLAN
NEW ORLEANS 2018

SAMPLE SITE CONCEPT DIAGRAM

- 1 Tricentennial Plaza Welcome Center
- 2 Expanded Spanish Plaza Public Garden
- 3 “Taste of New Orleans” Food Experience
- 4 Pedestrian Atrium Connection
- 5 Cinema Complex
- 6 National Museum of American Music
- 7 New Orleans Music Experience Concert Hall
- 8 New Orleans Music Experience Studio Theater
- 9 River Terrace Public Park
- 10 Riverfront Amphitheater
- 11 Julia Plaza
- 12 “Riverview Commons” Conference Center
- 13 Renovations to Phase I Convention Center



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photos: Jeff Pounds

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photo: Greg Miles



Funding:
Invest for the Future

Both the city of New Orleans and the state of Louisiana face severe budget shortfalls. At the same time, there is significant need for investment to address crime, job creation, education, housing, health care, and infrastructure. In these tough economic times, investing in the tourism master plan will generate much-needed revenue from out-of-state visitors for the city and the state.

The hospitality industry generates \$350 million in annual tax revenue — dollars that support significant assets, including the Superdome and Morial Convention Center, as well as the city's and state's education, transportation, and general funds. In addition, tourism supports 92,000* jobs in New Orleans.

Reinvigorating tourism requires a strategic investment now — and yields the benefit of a secure revenue stream in the future. Meeting the goals of

the master plan will produce significant revenue: Through 2018, New Orleans will earn \$11 billion in direct spending and \$700 million in tax revenue above current levels. The direct tax benefits alone will recoup the financial investment and generate significant excess revenue by 2018.

And these benefits multiply with additional indirect and induced spending. Increased spending also leads to new jobs — a projected 33,000 additional jobs with an average salary of \$33,300 a year by 2018. These revenues plus tourism investment also will lead to less crime, a sounder infrastructure, and a stronger community.

*92,000 represents total employment; direct employment is 68,000.

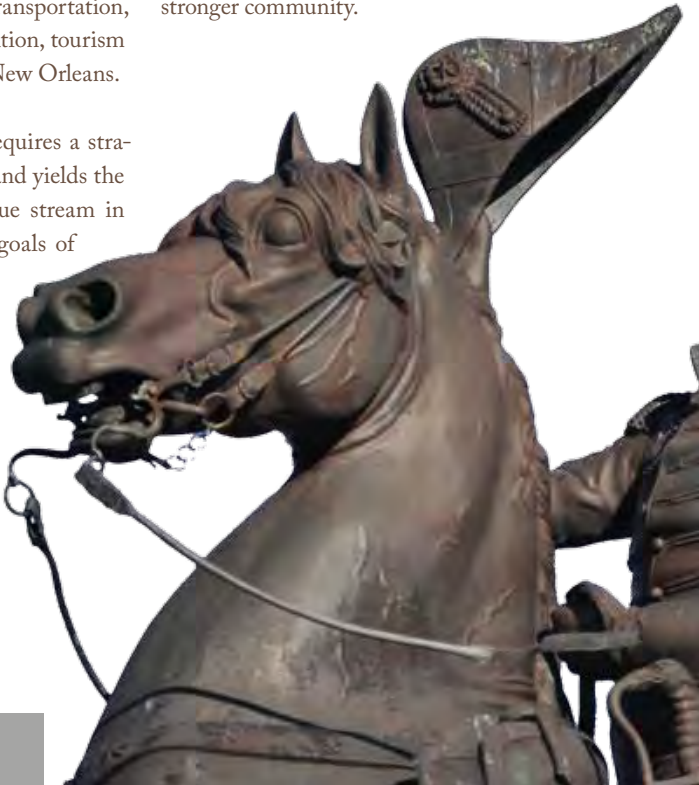


photo: Pat Gamm

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FUNDING GOALS

Fully implementing the master plan is estimated to cost more than \$405 million in capital investment and other one-time costs, plus an additional \$20 million to \$25 million in annual operating expenditures.

The one-time investments will be used for:

- Making long-term transformative capital investments, including the development of the Riverfront and maintenance of the French Quarter and Canal Street. Building and maintaining world-class assets for New Orleans' future will require an investment of approximately \$330 million.
- Developing an external marketing transformation, including branding, positioning, and developing the cruise and tour markets. New Orleans must overcome consumers' perception that New Orleans still is damaged by Hurricane Katrina so they will view the city as an attractive destination. Florida successfully fought negative hurricane perceptions

Peer cities spend between .03 percent and .1 percent of annual visitor spending on advertising and media, which means New Orleans should dedicate \$12 million annually for ongoing branding work to remain competitive.

with a \$60 million branding campaign and a forward-thinking crisis communications plan for future situations. New Orleans should plan to spend \$35 million to \$45 million over three years for branding.

- Addressing existing weaknesses, including crime, airline access, and the arrival experience.
- Ensuring employee and community engagement.

Ongoing funding will allow for continued work in all of these areas. For example, consistency in branding and messaging is crucial for ensuring that marketing dollars are used effectively. Peer cities spend between .03 percent and .1 percent of annual visitor spending on advertising and media, which means New Orleans should dedicate \$12 million annually for ongoing branding work to remain competitive. This annual spending would be in addition to the recommended one-time branding investment of \$35 million to \$45 million over three years.



photo: Cheryl Gaudier



photo: Cheryl Gaudier



photo: Jeff Pounds

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photo: Alex Demjan



photo: Pat Quinn

FUNDING STRATEGIES

The Strategic Hospitality Task Force recommends seven primary options for raising funds, some of which would require citizen and/or government approval. The funds would be used for capital expenditures, one-time investments, and ongoing expenses, such as marketing and operating expenditures.

1. General obligation bonds and revenue bonds
2. Government grants and loans
3. Public-private partnerships
4. Tax increment funding

5. Private donations
6. Tourism-focused taxes
7. Business and tourism improvement district

Cities across the country have successfully used all of these funding mechanisms. Chicago, for example, used bonds and private donations for Millennium Park and tax increment funding in the Central Loop District. New Orleans has used government grants, loans, private donations, and bonded tax revenues for riverfront improvements and created a business and tourism improvement district for the Downtown Development District.

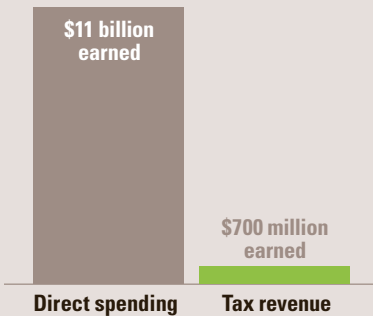
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Hospitality industry’s potential value is huge

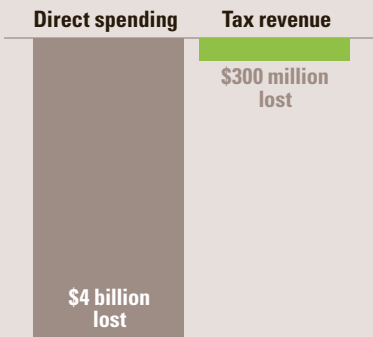
Cumulative impact through 2018 of attaining master plan goal

Additional dollars earned above current levels



Cumulative impact through 2018 of not investing in master plan goal

Potential dollars lost



Note: Cumulative gains assume steady annual gains to reach the 2018 target of 13.7 million annual visitors. Cumulative losses assume a tourism decline of 2 percent per year as the result of not acting.

FUNDING REQUIRES YOUR COMMITMENT

Effectively maintaining New Orleans’ hospitality industry requires the commitment and financial support of the city of New Orleans, the state of Louisiana, and the hospitality industry itself.

New Orleans’ hospitality industry can be one of the city’s most powerful economic levers. We have the leadership, expertise, and vision to make it happen. All we need is the will.



Invest in tourism.

Invest in our future.

photo: Cheryl Gueber

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photo: Pat Gamm



photo: Jay Combe



photo: Jeff Anding



photo: Pat Gamm

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New Orleans Strategic Hospitality Task Force

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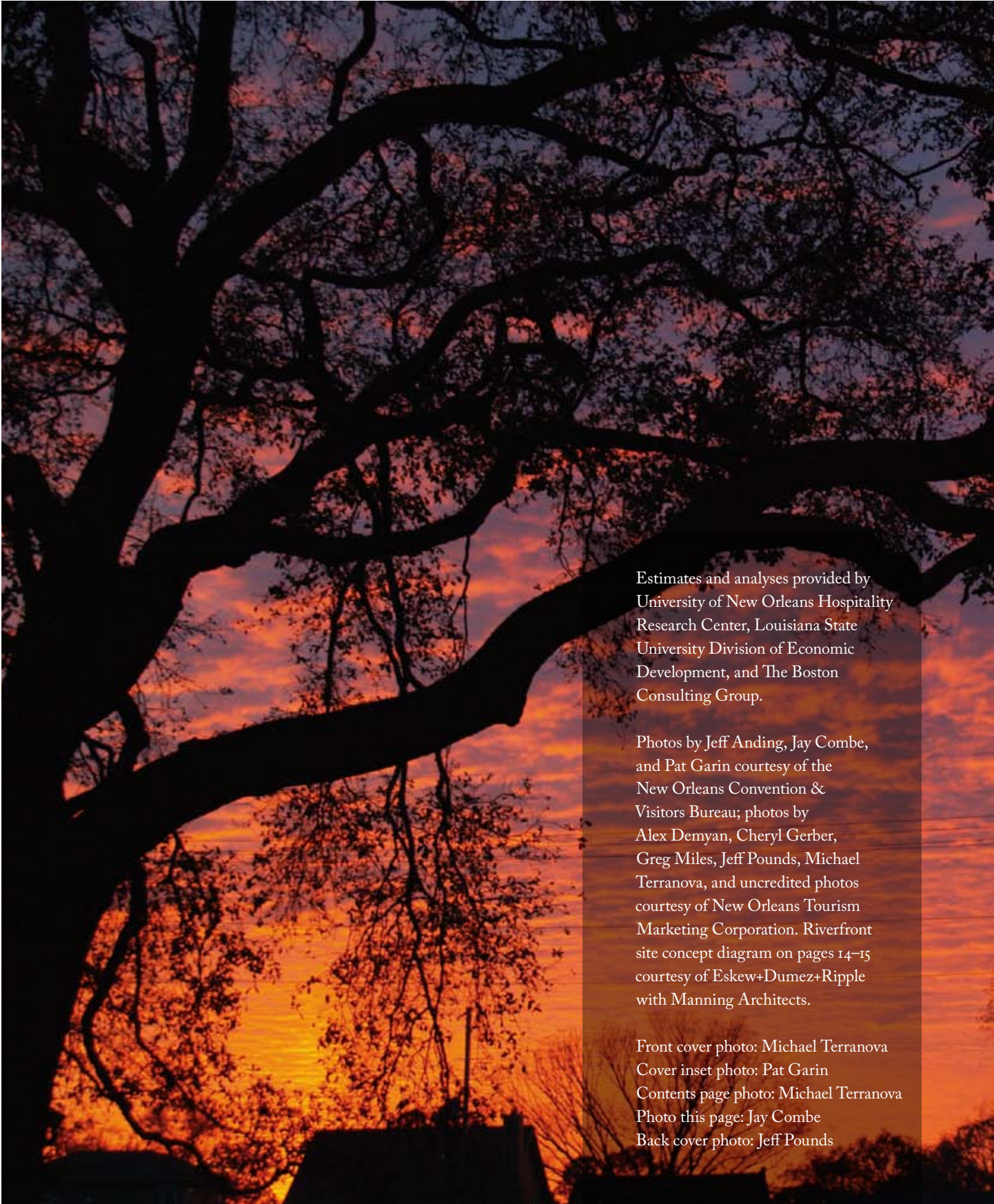
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Area Managing Director
Starwood Hotels & Resorts

Michael Valentino

Basin St. Station Visitor Information Center

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Estimates and analyses provided by University of New Orleans Hospitality Research Center, Louisiana State University Division of Economic Development, and The Boston Consulting Group.

Photos by Jeff Anding, Jay Combe, and Pat Garin courtesy of the New Orleans Convention & Visitors Bureau; photos by Alex Demyan, Cheryl Gerber, Greg Miles, Jeff Pounds, Michael Terranova, and uncredited photos courtesy of New Orleans Tourism Marketing Corporation. Riverfront site concept diagram on pages 14–15 courtesy of Eskew+Dumez+Ripple with Manning Architects.

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Cover inset photo: Pat Garin
Contents page photo: Michael Terranova
Photo this page: Jay Combe
Back cover photo: Jeff Pounds

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